

February 16, 2021

The Honorable Jeff Longbine, Chairperson
Senate Committee on Financial Institutions
Statehouse, Room 235A-E
Topeka, Kansas 66612

Dear Senator Longbine:

SUBJECT: Fiscal Note for SB 242 by Senate Committee on Financial Institutions and Insurance

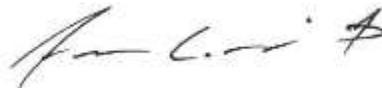
In accordance with KSA 75-3715a, the following fiscal note concerning SB 242 is respectfully submitted to your committee.

The bill would move mortgage provisions of the Uniform Consumer Credit Code into the Kansas Mortgage Business Act. The bill would also modify the process for renewing licenses for nonbank mortgage companies. The bill would allow more grace time in the renewal process and would provide for late fees to be assessed by the Office of the State Bank Commissioner. The bill would also remove the distinction for nonbank mortgage companies between those with a bona fide office and those without one. Entities without a bona fide office would no longer have to maintain a minimum net worth of \$50,000 or submit accounting certifications to the Office of the State Bank Commissioner. All entities would be required to remain solvent, have a positive net worth, and maintain a surety bond.

The Office the State Bank Commissioner states that the bill could produce additional revenues because the agency would be able to collect late fees for renewals. The bill could also reduce the amount of staff time for verifying bona fide offices and accounting certifications. However, the agency anticipates the changes in the bill would have a negligible effect to expenditures and revenues which could be absorbed within the agency's current budget.

The Office of Judicial Administration states that the bill could increase judge and staff time in foreclosure cases against mortgage companies. However, a fiscal effect cannot be estimated. The Offices of the Attorney General, Secretary of State, and State Treasurer indicate that the bill would not have a fiscal effect because the bill would not change current practices performed by the agencies.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Melissa Wangemann, Office of Banking Commissioner
Vickie Hurt, Credit Unions
Debbie Thomas, Judiciary
Willie Prescott, Office of the Attorney General
Lauren Tice Miller, Office of the Treasurer