

January 31, 2022

The Honorable Jim Kelly, Chairperson
House Committee on Financial Institutions and Rural Development
Statehouse, Room 218-N
Topeka, Kansas 66612

Dear Representative Kelly:

SUBJECT: Fiscal Note for HB 2568 by House Committee on Financial Institutions and Rural Development

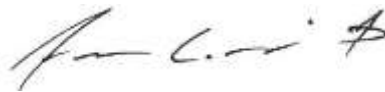
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2568 is respectfully submitted to your committee.

HB 2568 would amend the Kansas Mortgage Business Act (KMBA) to remove the requirement for mortgage companies to hold branch licenses and would allow mortgage company staff to work remotely. A mortgage company would be required to hold a main license and if the company originates mortgage loans it would continue to be required to have individual mortgage loan originator registrants. The bill would also require each applicant or licensee to file a security bond with the Bank Commissioner of at least \$100,000. Under current law, an applicant or licensee is required to submit evidence that it has a minimum net worth of \$50,000. HB 2568 would require the applicant or licensee to submit evidence that it is solvent and would be required to maintain a positive net worth. HB 2568 would also codify current renewal practices in which a license or registration expires on December 31 of each year. The bill would allow the Commissioner to designate late fees for renewal or reinstatement that would be used for consumer education.

Estimated State Fiscal Effect				
	FY 2022 SGF	FY 2022 All Funds	FY 2023 SGF	FY 2023 All Funds
Revenue	--	--	--	(\$402,300)
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

The Office of the State Bank Commissioner indicates that in calendar year 2021 there were 1,341 branch licensees, which have a renewal fee of \$300. Because HB 2568 would eliminate branch fees, the Bank Commissioner would have a reduction of \$402,300 annually to its Bank Commissioner Fee Fund. Any fiscal effect associated with HB 2568 is not reflected in *The FY 2023 Governor's Budget Report*.

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: Barbara Albright, Office of the Banking Commissioner