

**ONE HUNDREDTH LEGISLATURE - SECOND SESSION -
2008**

COMMITTEE STATEMENT

LB852

Hearing Date: January 22, 2008

Committee On: Banking, Commerce and Insurance

Introducer(s): (Banking, Commerce and Insurance Committee)

Title: Change provisions relating to certain financial services

Roll Call Vote - Final Committee Action:

Placed on General File

Vote Results:

8 Yes Senators Carlson, Christensen, Gay, Hansen,
Langemeier, Pahls, Pankonin, Pirsch

0 No

0 Absent

0 Present, not voting

Proponents:
Senator Rich Pahls
John Munn

Representing:
self
Dept. of Banking and Finance

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or change:

LB 852 (Banking, Commerce and Insurance Committee), introduced at the request of the Director of Banking and Finance, would amend various sections regarding financial services by non-depository financial entities. The bill would provide, section by section, as follows:

MORTGAGE BANKERS

Section 1 would amend section 45-702 of the Mortgage Bankers Registration and Licensing Act to provide that a “mortgage banker” and a “mortgage banking business” shall be defined as a person or entity, not otherwise exempt from the act, that makes or offers to make “a mortgage loan” rather makes or offers to make “ten or more mortgage loans in a calendar year.” This amendment would eliminate what is known as the “de minimus exclusion or exemption” in the act.

Section 2 would amend section 45-703 of the Mortgage Bankers Registration and Licensing Act to provide an exemption from the act for any individual who does not regularly engage in the mortgage banking business (1) who makes a mortgage loan with his or her own funds for his or her own investment, (2) who makes a purchase-money mortgage, or (3) who finances the sale of his or her own real property without the intent to resell the mortgage loan.

Section 3 would amend section 45-704 of the Mortgage Bankers Registration and Licensing Act to adjust an internal reference in response to provisions which would be added to section 45-703 by section 2 of the bill.

Section 4 would amend section 45-722 of the Mortgage Bankers Registration and Licensing Act to provide (1) that no person shall acquire control of any mortgage banking required to be licensed under the act without giving “thirty” days’ rather than “sixty” days’ notice to the Department of Banking and Finance and (2) that the Director of Banking and Finance, upon receipt of the notice, shall act upon it within thirty days and, unless he or she disapproves the acquisition within that time, the acquisition shall become effective on the “thirty-first” rather than the “sixty-first” day after receipt without the director’s approval.

DELAYED DEPOSIT SERVICES

Section 5 would amend section 45-907 of the Delayed Deposit Services Licensing Act to provide that the applicant for a license shall pay the expense of any publication by the Department of Banking and Finance of notice that the application for a license has been filed

and that a hearing will be set if no written protest against issuance of the license has been filed with the department.

Section 6 would amend section 45-922 of the Delayed Deposit Services Licensing Act to provide that the Director of Banking and Finance may suspend or revoke a license if he or she finds that a licensee has knowingly violated a voluntary consent or compliance agreement which had been entered into with the director.

INSTALLMENT LOANS

Section 7 would amend section 45-1006 of the Nebraska Installment Loan Act to provide that when an application for an original installment loan license has been accepted by the Director of Banking and Finance as substantially complete, notice of the filing of the application shall be published by the Department of Banking and Finance and, unless waived by the director, a hearing shall be held not less than thirty days after the last publication rather than not less than thirty days after the filing of the application, with the costs of the hearing paid by the applicant.

MISCELLANEOUS PROVISIONS

Section 8 would provide for operative dates. (Sections 4, 8, and 10 of the bill would be subject to the emergency clause.)

Section 9 would provide for repealers of sections not subject to the emergency clause.

Section 10 would provide for repealers of the section subject to the emergency clause.

Section 11 would provide for the emergency clause.

Explanation of amendments, if any:

Senator Rich Pahls, Chairperson