

**ONE HUNDRED SIXTH LEGISLATURE - FIRST SESSION - 2019**  
**COMMITTEE STATEMENT**  
**LB355**

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**Hearing Date:** Tuesday January 29, 2019  
**Committee On:** Banking, Commerce and Insurance  
**Introducer:** La Grone  
**One Liner:** Change provisions relating to money transmitters, installment sales, and mortgage loans

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File

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**Vote Results:**

<b>Aye:</b>	6	Senators Kolterman, La Grone, Lindstrom, McCollister, Quick, Williams
<b>Nay:</b>		
<b>Absent:</b>	2	Senators Gragert, Howard
<b>Present Not Voting:</b>		

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**Oral Testimony:**

**Proponents:**

Senator Andrew La Grone  
Mark Quandahl

**Representing:**

Introducer  
NE Department of Banking and Finance

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

LB 355, introduced at the request of the Nebraska Department of Banking and Finance ("Department"), amends various sections of the Nebraska Money Transmitters Act, the Nebraska Installment Sales Act, and the Residential Mortgage Licensing Act. The bill provides, section by section, as follows:

Section 1 amends Section 8-2737 of the Nebraska Money Transmitters Act, relating to regulatory examinations, to provide:

That the Department may conduct offsite or onsite examinations of money transmitter licensees and any of their authorized delegates,

That the Department may conduct examinations in conjunction with federal departments or agencies, and

A cross-reference to Sections 8-605 and 8-606 for examination charges.

Section 2 amends Section 45-335 of the Nebraska Installment Sales Act, which is the definitional section of the Act, to define the term "branch office" in new Subsection (23).

Section 3 amends Section 45-340 of the Nebraska Installment Sales Act, which relates to installment contracts entered into by mail without personal solicitation, to change the term "salesmen" to "salespersons".

Section 4 amends Section 45-346 of the Nebraska Installment Sales Act, which specifies the licensing requirements

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under the Act, to provide that as of January 1, 2020:

A person with one office in Nebraska may obtain branch office licenses for other locations, rather than obtaining a full license for each physical location;

An applicant for a license must provide specified information;

An applicant for a license may simultaneously request to license branch office(s); and

A branch office license fee of \$100 is established for such offices.

Section 5 amends Section 45-346.01 of the Nebraska Installment Sales Act, which sets licensee requirements for office moves, net worth, and surety bonds, to provide that notifications to the Director of the Department are to be made through the Nationwide Mortgage Licensing System and Registry; to require prior notifications for establishing, moving, or closing branch offices and for changing names; and to establish a branch license fee of \$100 for such additional offices.

Section 6 amends Section 45-348 of the Nebraska Installment Sales Act, which sets the standards for renewal of an installment sales license, to establish a renewal fee of \$100 for branch office licenses, and to change the method of cancellation of a surrendered license.

Section 7 amends Section 45-705 of the Residential Mortgage Licensing Act, which specifies the licensing requirements for mortgage bankers (firms) under the Act, to provide for mandatory submission of fingerprints for specified principals of an applicant, and to authorize the use of the Nationwide Mortgage Licensing System and Registry as a channeling agent for fingerprint requests.

Section 8 amends Section 45-727 of the Residential Mortgage Licensing Act, which requires the licensing of mortgage loan originators (individuals) under the Act, to adopt a transitional licensing process required by federal law becoming effective November 24, 2019, to allow federally-registered mortgage loan originators and mortgage loan originators licensed by another state who meet specified standards to act as a mortgage loan originator for up to 120 days in Nebraska after becoming employed by a Nebraska-licensed mortgage banker.

Section 9 amends Section 45-734 of the Residential Mortgage Licensing Act, relating to inactive mortgage loan originator licenses, to provide, within new Subsection (5), that a person holding an inactive mortgage loan originator license is limited to one renewal of the inactive license, absent a showing of good cause to the Director of the Department.

Section 10 amends Section 45-737 of the Residential Mortgage Licensing Act, which sets forth the duties of mortgage bankers, to change, within Subsection (8), the time period for maintaining certain mortgage loan records from three years to five years.

Section 11 provides an operative date of January 1, 2020, for Sections 2, 3, 4, 5, 6, and 12 of the bill.

Section 12 repeals the Installment Sales Act statutes amended.

Section 13 repeals the remaining statutes amended.

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Matt Williams, Chairperson