

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 21-136—SB 831

Banking Committee

AN ACT CONCERNING COMMERCIAL MORTGAGE LOAN ORIGINATORS

SUMMARY: This act excludes from the state's overtime pay requirements (time and one-half after 40 hours a week) commercial mortgage loan originators considered to be highly compensated employees under federal regulations. The law already excludes highly compensated mortgage loan originators from the requirements.

Under federal regulations, a highly compensated employee is someone with total annual compensation of at least \$107,432, whose primary duty includes office or non-manual work, and who customarily and regularly performs exempt duties or responsibilities of an executive, administrative, or professional employee as identified in regulation. The regulations exempt these individuals from the minimum wage and overtime pay requirements of the federal Fair Labor Standards Act (29 C.F.R. § 541.601).

The act applies to individuals who for, or with the expectation of, compensation or gain for themselves or their employer (1) accept an application for a commercial mortgage loan (i.e., one not primarily for personal, family, or household use) or (2) offer or negotiate a commercial mortgage loan's terms.

EFFECTIVE DATE: October 1, 2021