

507
FISCAL NOTE (Form 1)
(Office of Fiscal Analysis)
Analyst: Trv 9/10/92
kr
Version:

BILL NUMBER: sSB 11
FILE NUMBER:
AMENDMENTS:

TITLE: "AN ACT CONCERNING THE REFUND OF ADVANCE FEES BY FIRST AND SECOND MORTGAGE LENDERS AND BROKERS"

FAVORABLY REPORTED BY Banks, Judiciary

EFFECTIVE DATE: Upon Passage

* * * * *

FISCAL IMPACT STATEMENT - BILL NUMBER sSB 11

STATE IMPACT Minimal Savings, see explanation below (Special Fund)

MUNICIPAL IMPACT None

STATE AGENCY(S) Department of Banking

EXPLANATION OF ESTIMATES:

It is anticipated that there will be some minimal savings in terms of reduced staff time utilized by the Consumer Credit Division of the Department of Banking in responding to complaints from individuals who have inquiries concerning the payment of "advance fees" for mortgage loans.

Currently the Department of Banking receives approximately 200 calls per month by individuals who have paid these fees and are looking for some type of recourse. It is anticipated that the passage of this bill would reduce the number of calls to a great extent.

There is some minimal cost in terms of time taken by the Banking Commissioner to adopt regulations pertaining to agreements making advance fees nonrefundable. This is offset by the minimal savings noted above.

The Department of Banking is a Special Fund agency that assesses the banks it regulates for approximately 55% of its funding and charges fees for the remaining 45%.