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March 25, 2015

Representative Kurt Olson
Chair, House Labor and Commerce Committee
State Capitol
Juneau, AK 99801-1182

RE: Support for House Bill 12 moving out of House Labor and Commerce Committee

Dear Representative Olson:

Thank you for hosting the Town Hall meeting last weekend in Soldotna. I appreciated having the opportunity to let you know of my continuing support for House Bill 12, relating to mortgage originator licensing and mortgage broker licensing. I am a small business owner in Kenai. I employ eight Alaskans and my office serves the Kenai Peninsula. I market insurance and bank products to fellow Alaskans exclusively on behalf of State Farm Insurance Companies and State Farm Bank.

As part of my business, I originate home loan applications exclusively for State Farm Bank. Because I am an independent contractor, I am required to be licensed as and follow all the regulations for Mortgage Loan Originators (MLO) as well as be licensed as a Mortgage Broker. The Mortgage Loan Originator (MLO) licensing requirement is something I don't contest. However, under current Alaska law, I must also be licensed as Mortgage Brokers, simply to sponsor and supervise myself. That duplication makes no sense and is not required in any other situation. Having to carry a Mortgage Loan Originator license and a Mortgage Broker/Company License is duplicative and causes unnecessary expense and hardship. The State of Alaska's Division of Banking and Securities also recognizes that we are not serving as "Brokers" and has approved of the method to address this problem in HB 12. The extra cost (approximately \$2000 extra per year) and time (dozens of hours of quarterly and annual reporting) is onerous and serves no public purpose. HB 12 would allow the Bank to register with the state and assume all the assurances and oversight required of a broker's license, eliminating the need for the MLO to also have a costly, burdensome and unnecessary broker's license.

If I may be a resource in answering questions or providing information, please don't hesitate to contact me.

Sincerely,



Kristie Babcock, State Farm Agent
NMLS Co. #314934; NMLS MLO #309083

CC: Senator Peter Micciche
✓ Representative Shelley Hughes