

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: CSHB 162(L&C)
 (H) Publish Date: 4/20/07

Revision Date/Time (Note if correction): 4/16/2007 Dept. Affected: Commerce
 Title Mortgage Lending RDU Banking & Securities (536)
 Component Banking & Securities
 Sponsor Lynn
 Requester House Labor & Commerce Component No. 2808

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	241.5	241.5	333.5	333.5	333.5	333.5
Travel	50.0	50.0	50.0	50.0	50.0	50.0
Contractual	65.0	94.0	92.0	92.0	92.0	92.0
Supplies	6.0	6.0	8.0	8.0	8.0	8.0
Equipment	15.0	0.0	5.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	377.5	391.5	488.5	483.5	483.5	483.5
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (1156)	455.0	455.0	510.0	520.0	539.0	549.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1156 Receipt Supported Services	377.5	391.5	488.5	483.5	483.5	483.5
TOTAL	377.5	391.5	488.5	483.5	483.5	483.5

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time	3	3	4	4	4	4
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would require the licensing and regulation of people originating, lending or brokering mortgage loans. The division estimates there are about 22,000 mortgage documents filed each year in Alaska. The division estimates needing three additional staff (2 Financial Institution Examiners and 1 Business Registration Officer) in the first two years to implement the provisions of this legislation. One new Financial Institution Examiner would be added in the third year to implement the provision requiring all licensees to be examined every three years. Travel funds cover the cost of examining both in-state and out-of-state licensees. Contractual expenses include funds for the Department of Law to draft legal documents, represent the division at administrative hearings resulting from licensing revocations/disciplinary actions, and enforce orders resulting from investigations; and for staff training.

Prepared by: Mark Davis, Director Phone 907.269.8144
 Division Banking and Securities Date/Time 4/16/07 5:52 PM
 Approved by: Emil Notti, Commissioner Date 4/16/2007
 Agency Commerce, Community, and Economic Development

ANALYSIS CONTINUATION

Revenue: The division estimates this legislation would generate \$455.0 in each of the first two years year due to the initial licensing of an estimated 200 mortgage licensees and 500 originator licensees (\$175.0 resulting from \$250 per originator and mortgage licenses, and the collection of \$220.0 in document filing fees (22,000 documents at \$10 per document assessment fee)), plus 100 examinations at an average cost of \$6.00 for a total of \$60.0.

In the third year, the division anticipates generating \$510.0 from licensing 250 mortgage licensees and 550 originator licensees for a total revenue amount of \$200.0, plus \$220.0 in document assessment fees, and \$90.0 from 150 examinations at the average of \$6.00 per examination.

In year 4 the division anticipates generating \$520.0 (\$90.0 results from the examination of 150 establishments at a cost of \$6.00 per examination; \$230.0 document assessment fees (23,000 documents at \$10 per document assessment fee)); and \$200.0 mortgage and originator licensing fees.

In year 5, the division anticipates generating \$539.0 (\$90.0 from examination fees, \$230.0 from document assessment fees, and \$219.0 from 275 mortgage licenses and 600 originator licenses.)

In year 6, the division anticipates generating \$549.0 (\$90.0 from examinations fees, \$240.0 in document assessment fees (24,000 documents at \$10 per document assessment fee)), and \$219.0 mortgage and originator licensing fees.