

TITLE 160. DEPARTMENT OF CONSUMER CREDIT
CHAPTER 55. MORTGAGE BROKERS AND MORTGAGE LOAN ORIGINATORS
[AMENDED]

RULEMAKING ACTION:

Rule Impact Statement

BRIEF DESCRIPTION OF THE PURPOSE OF THE PROPOSED RULES:

The proposed rules implement the licensing requirements of the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act). The proposed rules include procedures for obtaining licenses, required information for license applications, procedures for denying licenses, procedures for license changes, standards for determining financial responsibility, a process for challenging information entered into the Nationwide Mortgage Licensing System and Registry and record keeping requirements. The proposed rule amendments also revoke existing rules that conflict with the requirements of the SAFE Act and amends rules that include incorrect statutory citations.

DESCRIPTION OF THE CLASSES OF PERSONS WHO MOST LIKELY WILL BE AFFECTED BY THE PROPOSED RULE, INCLUDING CLASSES THAT WILL BEAR THE COSTS OF THE PROPOSED RULE, AND ANY INFORMATION ON COST IMPACTS RECEIVED BY THE AGENCY FROM ANY PRIVATE OR PUBLIC ENTITIES:

The classes of persons most likely to be affected by the proposed rules are entities and individuals that originate residential mortgage loans in the State of Oklahoma (excluding depository institutions, subsidiaries of depository institutions that are owned and controlled by a depository institution and their employees and are regulated by a federal banking agency or an institution regulated by the Farm Credit Administration). The Department of Consumer Credit has not received any information on cost impacts from any private or public entities.

DESCRIPTION OF THE CLASSES OF PERSONS WHO WILL BENEFIT FROM THE PROPOSED RULE:

The classes of persons who will benefit from the proposed rules are consumers and entities and individuals originating residential mortgage loans in the State of Oklahoma. The proposed rules implement the SAFE Act which increases consumer protection by providing more stringent standards for obtaining a mortgage broker or mortgage loan originator license in the State of Oklahoma. The proposed rules are necessary for maintaining compliance with the federal SAFE Act. Compliance with the federal SAFE Act prevents mortgage brokers and mortgage loan originators from being subjected to dual regulation by the United States Department of Housing and Urban Development and the Oklahoma Department of Consumer Credit.

DESCRIPTION OF THE PROBABLE ECONOMIC IMPACT OF THE PROPOSED RULE UPON AFFECTED CLASSES OF PERSONS OR POLITICAL SUBDIVISIONS, INCLUDING A LISTING OF ALL FEE CHANGES AND, WHENEVER POSSIBLE, A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE:

The proposed rules do not include fee changes. The proposed rules should have a neutral economic impact upon affected classes of persons. There is no economic impact on political subdivisions. The proposed rules only implement requirements set forth by the Oklahoma Legislature.

PROBABLE COSTS AND BENEFITS TO THE AGENCY AND TO ANY OTHER AGENCY OF THE IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULE, THE SOURCE OF REVENUE TO BE USED FOR IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULE AND ANY ANTICIPATED EFFECT ON STATE REVENUES, INCLUDING A PROJECTED NET LOSS OR GAIN IN SUCH REVENUES IF IT CAN BE PROJECTED BY THE AGENCY:

There are no probable costs to the Department or any other agency. The proposed rules will benefit the Department of Consumer Credit by providing a more efficient process for implementing the licensing requirements of the SAFE Act.

DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULE WILL HAVE AN ECONOMIC IMPACT ON ANY POLITICAL SUBDIVISIONS OR REQUIRE THEIR COOPERATION IN IMPLEMENTING OR ENFORCING THE RULE:

The proposed rules will not have an economic impact on any political subdivisions or require their cooperation in implementing or enforcing the rule.

DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULES WILL HAVE AN ADVERSE EFFECT ON SMALL BUSINESS AS PROVIDED BY THE OKLAHOMA SMALL BUSINESS REGULATORY FLEXIBILITY ACT:

The proposed rules will not have an adverse effect on small business.

EXPLANATION OF THE MEASURES THE AGENCY HAS TAKEN TO MINIMIZE COMPLIANCE COSTS AND A DETERMINATION OF WHETHER THERE ARE LESS COSTLY OR NONREGULATORY METHODS OR LESS INTRUSIVE METHODS FOR ACHIEVING THE PURPOSES OF THE PROPOSED RULE:

The Department has determined there are no compliance costs to minimize.

DETERMINATION OF THE EFFECT OF THE PROPOSED RULE ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT AND, IF THE PROPOSED RULE IS DESIGNED TO REDUCE SIGNIFICANT RISKS TO THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT, AN EXPLANATION OF THE NATURE OF THE RISK AND TO WHAT EXTENT THE PROPOSED RULE WILL REDUCE THE RISK:

The Department has determined the proposed rules do not affect the public health, safety and environment.

DETERMINATION OF ANY DETRIMENTAL EFFECT ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT IF THE PROPOSED RULE IS NOT IMPLEMENTED:

The public health, safety and environment will not be affected if the proposed rules are not implemented. However, failure to implement the proposed rules would jeopardize Oklahoma's compliance with the federal SAFE Act. The proposed rules are necessary to implement the Oklahoma SAFE Act's requirements so that Oklahoma will be in compliance with the federal SAFE Act.

DATE THE RULE IMPACT STATEMENT WAS PREPARED AND IF MODIFIED, THE DATE MODIFIED:

February 12, 2010