

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

**RULEMAKING ACTION:**

Rule Impact Statement

**BRIEF DESCRIPTION OF THE PURPOSE OF THE PROPOSED RULES:**

House Bill 1828 amended the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act (Oklahoma SAFE Act) and established a mortgage lender license, effective November 1, 2013. The proposed rule amendments implement the mortgage licensing requirements for mortgage lenders established in House Bill 1828 by specifying that an application, bond, minimum net worth, criminal background checks of control persons and credit reports of control persons are required. A licensed mortgage loan originator must also be designated to oversee any activity of a mortgage lender that satisfies the definition of a mortgage broker as defined by the Oklahoma SAFE Act.

The proposed rule amendments clarify that a mortgage loan originator designated to oversee mortgage loan origination activities for a mortgage broker or mortgage lender may not serve as the designated mortgage loan originator for any other mortgage broker, mortgage lender or branch office. The proposed rule amendments also update references regarding the proper venue for administrative appeals and the requirements for orders issued by the Administrator.

A proposed rule amendment establishes a process for a licensee to request an inactive license status in accordance with the Oklahoma SAFE Act. A proposed rule amendment removes a requirement that licensees return a license to the Administrator upon notification of an address change or upon notification that a business location is closing.

Proposed rule amendments also remove language regarding the failure of an applicant to provide information requested by the Administrator and language regarding the failure of an applicant to qualify for a license. The proposed rule amendments includes new provisions stating that if applicants fail to provide information requested by the Administrator, a failure to provide information as requested by the Administrator shall be deemed a withdrawal of an application.

A proposed rule amendment specifies that mortgage loan originator license applicants must pass a qualified written test developed by the Nationwide Mortgage Licensing System and Registry (NMLS&R) in accordance with standards established by the Oklahoma SAFE Act. The proposed testing rule amendment will authorize the Administrator to adopt any qualified written test developed by NMLS&R in accordance with standards established by the Oklahoma SAFE Act.

**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:**

Mortgage brokers, mortgage lenders and mortgage loan originators will most likely be affected by the proposed rules. The agency has not received information on cost impacts from any private or public entities.

**DESCRIPTION OF THE CLASSES OF PERSONS WHO WILL BENEFIT FROM THE PROPOSED RULES:**

Mortgage brokers, mortgage lenders and mortgage loan originators will benefit from the proposed rule.

**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:**

There is not a probable economic impact of the proposed rules upon affected classes of persons or political subdivisions. There are not any fee changes with the proposed rules.

**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 not any probable costs to the agency. There are no costs or benefits to any other agency. There is not any anticipated effect on state revenues.

The proposed rules will benefit the agency. The proposed rule amendments will allow the agency to make the licensing process more efficient by allowing the agency to close applications that have been abandoned. The agency will be able to process license amendments more quickly without the need to hold the issuance of an amended license until the previously issued license is returned by the licensee.

**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:**

There is not an economic impact on any political subdivision from the proposed rules. Cooperation from any political subdivision is not required in implementing or enforcing the proposed rules.

**DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULE 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 as provided by the Oklahoma Small Business Regulatory Flexibility Act.

**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 PURPOSE OF THE PROPOSED RULES:**

The agency has not examined any measures to minimize compliance costs since there is not any compliance costs involved with the proposed rules. The agency has determined there are not any less costly or non-regulatory methods or less intrusive methods for achieving the purpose of the proposed rules.

**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 proposed rules do not affect the public health, safety and environment. The proposed rules are not designed to reduce significant risks to 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:**

There will not be a detrimental effect on the public health, safety and environment if the proposed rules are not implemented.

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

February 18, 2014