

# STATE CORPORATION COMMISSION

## 2001 Fiscal Impact Statement

1. **Bill Number** HB2708

**House of Origin** ☒ Introduced ☐ Substitute ☐ Engrossed

**Second House** ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron** Clement

3. **Committee** Corporations, Insurance & Banking

4. **Title** Mortgage loans; prohibited practices.

5. **Summary/Purpose:**

Mortgage loans; prohibited practices. Prohibits mortgage lenders and brokers from flipping mortgage loans. "Flipping" a mortgage loan means refinancing a mortgage loan within 12 months after the refinanced loan was originated, when the new loan does not result in any benefit to the borrower considering all of the circumstances.

Mortgage lenders and brokers are also prohibited from recommending or encouraging default on an existing loan or other debt prior to and in connection with the closing or planned closing of a mortgage loan that refinances all or any portion of such existing loan or debt. A mortgage lender or broker violating this prohibition forfeits all interest collected.

6. **No Fiscal Impact** on state agencies.

7. **Budget amendment necessary:** None.

8. **Fiscal implications:** None.

9. **Specific agency or political subdivisions affected:** State Corporation Commission's Bureau of Financial Institutions

10. **Technical amendment necessary:** Yes, the patron has received a memorandum from the State Corporation Commission's Office of General Counsel.

11. **Other comments:** None.

**Date:** 01/25/01 / Joe Face

cc: Secretary of Commerce and Trade

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