

BEFORE THE DEPARTMENT OF ADMINISTRATION
OF THE STATE OF MONTANA

In the matter of the amendment of) NOTICE OF AMENDMENT
ARM 2.59.1738 pertaining to renewal)
fees of mortgage brokers, mortgage)
lenders, mortgage servicers, and)
mortgage loan originators)

TO: All Concerned Persons

1. On June 24, 2022, the Department of Administration published MAR Notice No. 2-59-626 pertaining to the proposed amendment of the above-stated rule at page 944 of the 2022 Montana Administrative Register, Issue Number 12.
2. The department has amended the above-stated rule as proposed.
3. No comments or testimony were received.

/s/ Misty Ann Giles
Misty Ann Giles, Director
Department of Administration

/s/ Don Harris
Don Harris, Rule Reviewer
Department of Administration

Certified to the Secretary of State August 16, 2022.

BEFORE THE DEPARTMENT OF ADMINISTRATION
OF THE STATE OF MONTANA

In the matter of the amendment of)	NOTICE OF PROPOSED
ARM 2.59.1738 pertaining to renewal)	AMENDMENT
fees of mortgage brokers, mortgage)	
lenders, mortgage servicers, and)	NO PUBLIC HEARING
mortgage loan originators)	CONTEMPLATED

TO: All Concerned Persons

1. On August 6, 2022, the Department of Administration proposes to amend the above-stated rule.

2. The department will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the department no later than 5:00 p.m. on July 6, 2022, to advise us of the nature of the accommodation that you need. Please contact Julie James, Department of Administration, P.O. Box 200101, Helena, Montana 59620-0101; telephone (406) 444-2460; Montana Relay Service 711, facsimile (406) 444-6194; or e-mail to Julie.James2@mt.gov.

3. The department proposes to amend the following rule, new matter underlined, deleted matter interlined:

2.59.1738 RENEWAL FEES (1) Licenses issued under Title 32, chapter 9, part 1, MCA, expire December 31. Licensees shall submit their renewal applications by December 1 of each year to ensure issuance of the license to qualified renewal applicants by January 1 of the following year. The renewal fees for the license period after January 1, 2022 ~~through December 31, 2022~~, are:

- (a) Mortgage Broker Entity, \$125.00;
- (b) Mortgage Broker Branch, \$62.50;
- (c) Mortgage Lender Entity, \$187.50;
- (d) Mortgage Lender Branch, \$62.50;
- (e) Mortgage Loan Originator, \$100.00;
- (f) Mortgage Servicer Entity, \$187.50;
- (g) Mortgage Servicer Branch, \$62.50.

~~(2) The renewal fees for the license period after January 1, 2023, are:~~

- ~~(a) Mortgage Broker Entity, \$375.00;~~
- ~~(b) Mortgage Broker Branch, \$187.50;~~
- ~~(c) Mortgage Lender Entity, \$562.50;~~
- ~~(d) Mortgage Lender Branch, \$187.50;~~
- ~~(e) Mortgage Loan Originator, \$300.00;~~
- ~~(f) Mortgage Servicer Entity, \$562.50;~~
- ~~(g) Mortgage Servicer Branch, \$187.50.~~

AUTH: 32-9-117, 32-9-130, 32-9-134, MCA
IMP: 32-9-117, 32-9-130, 32-9-134, MCA

STATEMENT OF REASONABLE NECESSITY: The Division of Banking and Financial Institutions (division) is funded through assessments, licensing, and examination fees and strives to keep these fees consistent with each program's expenditures. The mortgage program is currently generating more revenue than its expenditures because there has been growth in the number of mortgage licensees which has exceeded the division's projections. Pursuant to 32-9-117, MCA, renewal fees must be commensurate with program costs.

The housing market has seen a remarkable boom since the pandemic began and remote work has allowed people to work anywhere they please. The number of mortgage loan originators has grown dramatically and increased by 21 percent from 2019 to 2020 and by 58 percent from 2020 to 2021.

In Montana, there are currently licensed:

- 286 mortgage broker entities;
- 512 mortgage broker branches;
- 273 mortgage lender entities;
- 883 mortgage lender branches;
- 201 mortgage servicer entities;
- 184 mortgage servicer branches; and
- 5,635 mortgage loan originators.

In 2023, the division proposes to restore fees to the level previously set in 2022. The division expects that not all the current licensees will renew their licenses for 2023. However, based on prior years' renewals, the division predicts approximately 80 percent of its mortgage loan originators, 95 percent of mortgage companies, and 95 percent of mortgage company branch licensees will renew their licenses for 2023. This will result in renewal revenue of \$663,000. The division can adequately fulfill its mission with this reduction in licensing fees being extended for another year into 2023. This will allow the division to reduce the fund balance it currently carries.

4. Concerned persons may present their data, views, or arguments concerning the proposed action to the person listed in paragraph 2 above. Comments must be received no later than 5:00 p.m., July 22, 2022.

5. If persons who are directly affected by the proposed actions wish to express their data, views, or arguments orally or in writing at a public hearing, they must make written request for a hearing and submit this request along with any written comments to the person listed in paragraph 2 above no later than 5:00 p.m., July 6, 2022.

6. If the department receives requests for a public hearing on the proposed action from either 10 percent or 25, whichever is less, of the persons directly affected by the proposed action; from the appropriate administrative rule review committee of the Legislature; from a governmental subdivision or agency; or from an

association having not less than 25 members who will be directly affected, a hearing will be held at a later date. Notice of the hearing will be published in the Montana Administrative Register. Ten percent of those directly affected has been determined to be 797 persons based on the 7,974 mortgage brokers, lenders, servicers, loan originators licensed in Montana.

7. An electronic copy of this proposal notice is available through the department's website at <http://doa.mt.gov/administrativerules>. The department strives to make its online version of the notice conform to the official published version but advises all concerned persons that if a discrepancy exists between the official version and the department's online version, only the official text will be considered. In addition, although the department works to keep its website accessible at all times, concerned persons should be aware that the website may be unavailable during some periods, due to system maintenance or technical problems.

8. The department maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this division. Persons who wish to have their name added to the mailing list shall make a written request that includes the name, mailing address, and e-mail address of the person to receive notices and specifies that the person wishes to receive notices regarding division rulemaking actions. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written requests may be mailed or delivered to the person listed in paragraph 2 above or may be made by completing a request form at any rules hearing held by the department.

9. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

10. The department has determined that under 2-4-111, MCA, the proposed amendment of the above-stated rule will not significantly and directly impact small businesses.

By: /s/ Misty Ann Giles
Misty Ann Giles, Director
Department of Administration

By: /s/ Don Harris
Don Harris, Rule Reviewer
Department of Administration

Certified to the Secretary of State June 14, 2022.