

# Vermont Legislative Joint Fiscal Office

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## *FISCAL NOTE*

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### **S.88 An act relating to insurance, banking, and securities – House Commerce And Economic Development Recommendation Of Amendment – Draft 1.3**

<https://legislature.vermont.gov/Documents/2022/WorkGroups/House%20Commerce/Bills/S.88/Drafts,%20Amendments%20and%20Legal%20Documents/S.88~Jen%20Carbee~%20Draft%201.3,%204-8-2021~4-9-2021.pdf>

#### **Bill Summary**

The bill proposes changes to statutes relating to industries regulated by the Vt Dept. of Financial Regulation (DFR).

#### **Fiscal Impacts**

##### Combination Fees (Sec. 2-3)

The bill proposes to eliminate combination fees for individuals/entities who apply for multiple licenses under 8 V.S.A. Ch. 73 dealing with lenders, mortgage brokers, loan originators, and Ch. 85 loan solicitation companies. These combination fees were created in 2019. The elimination of the combination fees would result in applicants paying the existing individual license fees for the various licenses (see attached table for individual fees). The revenue change would be dependent on how many firms ultimately decide to retain multiple licenses under the higher individual fees. If licensing activity tracked close to what it was prior to enactment of the combination fees, then there would be approx. \$30,000 of new annual revenues from the higher individual fees.

##### Annual Report Penalties (Sec. 4)

Licensees under 8 V.S.A are required to provide annual reports to DFR. When reports are not submitted, DFR has statutory authority to impose a \$100 monthly penalty on licensees. S.88 proposes to increase this penalty to \$1,000 per month. DFR does not currently assess the penalty because the administrative cost is too great, however DFR has reported that approximately 17% of entities that were required to submit an annual report in 2019 did not. The Joint Fiscal Office does not typically provide revenue estimates for penalties as they generally exist to deter undesirable outcomes not to raise revenue.

<b>Fee title</b>	<b>Statute</b>	<b>Current fee</b>	<b>Proposed fee</b>
Combo license fee – lenders, brokers, originators, servicers	8 VSA §2102(b)(8)	\$1500	<b>remove</b>
Combo application & investigation fee – lenders, brokers, originators, servicers	8 VSA §2102(b)(8)	\$1500	<b>remove</b>
Combo renewal fee – lenders, brokers, originators, servicers – license fee	8 VSA §2109(a)(8)	\$1700	<b>remove</b>
License fee - Lenders	8 VSA §2102(b)(1)	\$1000	No change
Application & investigation fee- Lenders	8 VSA §2102(b)(1)	\$1000	No change
License fee – Mortgage Broker	8 VSA §2102(b)(3)	\$500	No change
Application & investigation fee- Mortgage Broker	8 VSA §2102(b)(3)	\$500	No change
License fee – Loan Solicitors	8 VSA §2102(b)(7)	\$500	No change
Application & investigation fee- Loan Solicitors	8 VSA §2102(b)(7)	\$500	No change
License fee – Loan Servicer	8 VSA §2102(b)(13)	\$1000	No change
Application & investigation fee- Loan Servicer	8 VSA §2102(b)(13)	\$1000	No change
Renewal - Lender	8 VSA §2109(a)(1)	\$1200	No change
Renewal – Mortgage Broker	8 VSA §2109(a)(3)	\$500	No change
Renewal – Loan Solicitor	8 VSA §2109(a)(7)	\$500	No change
Renewal – Loan Servicer	8 VSA §2109(a)(13)	\$1000	No change