

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: RN 11 23339
POSITION: Neutral, note concerns

BILL NUMBER: SB 376
AUTHOR: J. Fuller

BILL SUMMARY: Real Estate Brokers

The federal Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act), enacted in 2008, imposed state licensing standards for mortgage loan originators. Included under the SAFE Act's definition of mortgage loan originators are persons who make chattel mobilehome loans, which are loans wherein the mobilehome is titled not as real estate but as personal property without a lien tied to the land.

Under current law, real estate brokers are licensed by the Department of Real Estate (DRE) and mortgage loan originators are licensed by the Department of Corporations (DOC).

This bill would allow mobilehome park owners who are licensed by DRE as real estate brokers to make chattel mobilehome loans without also being licensed as mortgage loan originators by DOC. The intent is to exempt mobilehome park owners from a burdensome licensing requirement that did not exist prior to 2008.

FISCAL SUMMARY

Finance concurs with DRE and DOC that any costs incurred in relation to this bill would be minor and absorbable.

Although flagged as a mandate by the Legislative Counsel because it would alter the definition of a crime or infraction, under Section 6(b) of Article XIII B of the California Constitution, any costs to a unit of local government which result from legislation defining a new crime or changing an existing definition of a crime are not reimbursable by the state.

COMMENTS

Finance notes the following regarding this bill:

- We have no concerns regarding what this bill seeks to accomplish since, prior to the SAFE Act, mobilehome park owners routinely made chattel mobilehome loans without DOC licensure, and no problems ensued for consumers. However, even if this bill is enacted, it is unclear that it would exempt mobilehome park owners who make these loans from the licensing requirements of the federal legislation.

Analyst/Principal Date Program Budget Manager Date
(0751) M. Tollefson Mark Hill

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

AUTHOR

AMENDMENT DATE

BILL NUMBER

J. Fuller

RN 11 23339

SB 376

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2011-2012	FC	2012-2013	FC	2013-2014	
2180/Corporations	SO	No		-----	No/Minor	Fiscal Impact	-----		0067
2320/Real Estate	SO	No		-----	No/Minor	Fiscal Impact	-----		0317
<u>Fund Code</u>	<u>Title</u>								
0067	Corporations Fund, State								
0317	Real Estate Fund								