

GAMB
Legislative Committee

Report of Activities

April 8, 2010

The Legislative Committee remains very active tracking legislation and following SB 57 which was carried over from last year. In March and early April, Drexel Beck and J.D. Crowe continued to attend hearings before the House Judiciary Sub-Committee (Jacobs Committee) assigned to the bill and to meet with various legislators influential in shaping the House version of SB 57.

On March 25, Drexel Beck and J.D. Crowe attended the final hearing where testimony on SB 57 would be heard. J.D. Crowe testified at this hearing and offered proposed changes to the YSP and interest rate margin provisions of the bill. After the meeting, J.D. Crowe met briefly with Rep. Dobbs and Rep. Powell to clarify GAMB's issues with these provisions.

On March 30, the Jacobs Committee met again to present the final committee version of SB 57. No testimony was allowed at this meeting, but the Committee members were permitted to debate the provisions of the bill. At this meeting, several amendments unfavorable to mortgage brokers were offered by Committee members. Fortunately for mortgage brokers, most of the proposed amendments failed to pass. One amendment to reduce the rebuttable presumption debt to income threshold to 40% did pass. The bill was then approved by the Committee for presentation to the full House Judiciary Committee. After this hearing, J.D. Crowe met with Sub-Committee Chairman Jacobs, Rep. Dobbs, Rep. Powell and others to determine if the bill could be amended to reinstate the 50% debt to income provision in the full Judiciary Committee hearing.

At 9:17 PM on March 31, J.D. Crowe and Drexel Beck received notice that the full Judiciary Committee hearing had been rescheduled for 10:00 AM the following morning. Fortunately, J.D. Crowe was able to attend this hearing. During this hearing several amendments to the bill were proposed. By amendment, the 50% debt to income ratio was reinstated. The House version of SB 57 was approved by the Judiciary Committee and will be sent to the Rules Committee to be scheduled for presentation on the House Floor and a vote to determine if the bill passes the House.

If SB 57 is passed by the vote of the full House of Representatives, it will then be sent back to the Senate. The Senate can then either adopt the House version of the bill or can reject the House version and send the bill to Conference Committee to negotiate changes and a final version of the bill.

Drexel Beck and J.D. Crowe will continued to monitor the progress of this bill and will meet with various legislators in an attempt to ensure that the final version of this bill as favorable as possible to the mortgage broker.

s/ Drexel Beck, Chairman

