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To: Industrial Loan and Thrift Companies
Mortgage Loan Brokers, Mortgage Lenders and Mortgage Loan Servicers
Title Pledge Lenders
Deferred Presentment Service Providers
Check Cashers
Premium Finance Companies

From: Greg Gonzales 

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Re: Changes to License, Registration and Examination Fees

Public Chapter 736 of the Acts of 2014 amends parts of Title 45 of the Tennessee Code relative to non-depository financial institutions regulated by the Department of Financial Institutions. Public Chapter 736 changes the way that licensees and registrants are assessed licensing, registration and examination fees, combining those fees into a single annual supervision fee. Public Chapter 736 also changes the licensing year for some institutions. Public Chapter 736 is available for review and download at <http://state.tn.us/sos/acts/108/pub/pc0736.pdf>.

The purpose of this communication is to alert all licensees and registrants, and those contemplating applying for a license or registration, of these changes, and to provide a broad overview of the changes, including their effective dates, as different sections of Public Chapter 736 become effective at different times. Future communications will provide more detail.

Annual Supervision Fee

Each person regulated and supervised by the Department's Compliance Division, except mortgage loan originators, will be assessed an annual supervision fee, which will be determined by the Commissioner on an annual basis based on the Department's approved annual budget. The supervision fee will include the annual licensing or registration fee and the costs for a routine examination or investigation (licensees and registrants will continue to pay the actual expenses for out-of-state examinations and inspections). The supervision fee will be paid with the filing of an application, whether a new or renewal application and payment of the fee will be a condition of obtaining the issuance or renewal of the license or registration.

Mortgage loan originators will not be assessed a supervision fee, but will continue to pay the same licensing and renewal fees that are required today. The sponsorship fee will not change.

The section of Public Chapter 736 that provides for the annual supervision fee becomes effective July 1, 2015, although the fee will be phased in at different times for different types of existing licenses and registrations, as described in more detail below. A person submitting an application for a new license or registration from July 1, 2015 through September 30, 2015 will pay a supervision fee of \$500. Thereafter, the supervision fee for a new license or registration shall be as determined by the Commissioner.

Additional information will be forthcoming regarding the amount and timing of the supervision fee.

Industrial Loan and Thrift Companies

Certificates of registration for industrial loan and thrift companies currently expire on July 1, and may currently be renewed by the filing of a completed renewal application and the payment of a registration fee of \$325 on or before June 1. Both the registration year and the fee will change.

A registrant submitting an application for renewal of a certificate of registration from April 15, 2015 through June 1, 2015 will not pay a supervision fee, but will instead pay a pro-rated renewal fee of \$244, and the certificate of registration will have a beginning effective date of July 1, 2015, but will expire on March 31, 2016. Any surety bond presented with the renewal application must have an expiration date no sooner than March 31, 2016. A registered location examined from April 15, 2015 through March 31, 2016 will pay the actual and reasonable costs of the examination. After calendar year 2015, the supervision fee for renewal of a certificate of registration will be as determined by the Commissioner.

The deadline for filing annual reports will continue to be July 31, but registrants may continue to file annual reports with renewal applications.

A person submitting an application for a new certificate of registration between now and June 30, 2015 will pay the same fees that are required today. A person submitting an application for a new certificate of registration from July 1, 2015 through September 30, 2015 will pay a supervision fee of \$500. Thereafter, the supervision fee for a new registration will be as determined by the Commissioner.

Mortgage Loan Brokers, Mortgage Lenders and Mortgage Loan Servicers

Licenses for mortgage loan brokers, mortgage lenders and mortgage loan servicers currently expire on December 31, and may currently be renewed by the filing of a completed renewal application and the payment of a renewal fee of \$500 on or before December 31. The licensing year will not change, but the fee will change.

A licensee submitting an application for renewal of a license during the renewal period from November 1, 2015 through December 31, 2015 will pay the supervision fee as determined by the Commissioner.

A person submitting an application for a new license between now and June 30, 2015, will pay the same fees that are required today. A person submitting an application for a new license from July 1, 2015 through September 30, 2015 will pay a supervision fee of \$500. Thereafter, the supervision fee for a new license will be as determined by the Commissioner.

Title Pledge Lenders

Licenses for title pledge lenders currently expire on October 31, and may currently be renewed by the filing of a completed renewal application and the payment of a renewal fee of \$700 on or before October 1. Both the licensing year and the fee will change.

Licenses issued with an expiration date of October 31, 2015 will instead expire on December 31, 2015. A licensee submitting an application for renewal of a license with an expiration date of October 31, 2015 must, on or before December 1, 2015, file a completed renewal application and pay a supervision fee as determined by the Commissioner. A licensed location examined from July 1, 2015 through December 31, 2015 will pay the actual and reasonable costs of the examination. After calendar year 2015, the supervision fee for renewal of a license will be as determined by the Commissioner.

A person submitting an application for a new license between now and June 30, 2015 will pay the same fees that are required today. A person submitting an application for a new license from July 1, 2015 through September 30, 2015 will pay a supervision fee of \$500. Thereafter, the supervision fee for a new license will be as determined by the Commissioner.

Deferred Presentment Service Providers

Licenses for deferred presentment service providers currently expire on December 31, and may currently be renewed by the filing of a completed renewal application and the payment of a renewal fee of \$500 on or before December 31. The licensing year will not change, but the fee will change.

A licensee submitting an application for renewal of a license during the renewal period from November 1, 2015 through December 31, 2015 will pay the supervision fee as determined by the Commissioner.

A person submitting an application for a new license between now and June 30, 2015, will pay the same fees that are required today. A person submitting an application for a new license from July 1, 2015 through September 30, 2015 will pay a supervision fee of \$500. Thereafter, the supervision fee for a new license will be as determined by the Commissioner.

Check Cashers

Licenses for check cashers currently remain in effect through September 30 of each year, and may currently be renewed by the filing of a completed renewal application and the payment of a renewal fee of \$500 on or before September 1. Both the licensing year and the fee will change.

A licensee submitting an application for renewal of a license from April 15, 2015 through September 1, 2015 will not pay a supervision fee, but will instead pay a pro-rated renewal fee of \$250, and the license

will have a beginning effective date of October 1, 2015, but will expire on March 31, 2016. A licensed location examined from April 15, 2015 through March 31, 2016 will pay the actual and reasonable costs of the examination. After calendar year 2015, the supervision fee for renewal of a license will be as determined by the Commissioner.

A person submitting an application for a new license between now and June 30, 2015 will pay the same fees that are required today. A person submitting an application for a new license from July 1, 2015 through September 30, 2015 will pay a supervision fee of \$500. Thereafter, the supervision fee for a new license will be as determined by the Commissioner.

Premium Finance Companies

Licenses for premium finance companies may currently be renewed from year to year, as of July 1 of each year, upon the filing of a completed renewal application and the payment of a renewal fee of \$200 and an inspection fee of \$200. Both the licensing year and the fees will change.

A licensee submitting an application for renewal of a license from April 15, 2015 through July 1, 2015 will not pay a supervision fee, but will instead pay a renewal fee of \$300, and the license will have a beginning effective date of July 1, 2015, but will expire on March 31, 2016. A licensed location examined from April 15, 2015 through March 31, 2016 will pay the actual and reasonable costs of the examination. After calendar year 2015, the supervision fee for renewal of a license will be as determined by the Commissioner.

A person submitting an application for a new license between now and June 30, 2015 will pay the same fees that are required today. A person submitting an application for a new license from July 1, 2015 through September 30, 2015 will pay a supervision fee of \$500. Thereafter, the supervision fee for a new license will be as determined by the Commissioner.

Additional Information

The Department will be providing additional information about these changes in the future. In the meantime, any questions or concerns may be directed to the Department's Compliance Division by telephone, at (615) 253-6714, or by e-mail, at askmortgage.licensing@tn.gov.