

State Impact

The portion of the bill that affects Financial Institutions will generate \$11,500 in revenue to the General Fund Restricted - Financial Institutions. Those funds will be spent by the Department to regulate title and deferred deposit lenders. The real estate lender portions of the bill will require \$79,000 from the Commerce Service Fund to pay for an auditor. Second year costs are \$69,000. There are 1,400 mortgage companies in Utah. Appropriations from the Commerce Service Fund affect the amount available for transfer to the General Fund.

	<u>FY 04 Approp.</u>	<u>FY 05 Approp.</u>	<u>FY 04 Revenue</u>	<u>FY 05 Revenue</u>
Restricted Funds	\$11,500	\$11,500	\$11,500	\$11,500
Commerce Service Fund	\$79,000	\$69,000	\$0	\$0
TOTAL	\$90,500	\$80,500	\$11,500	\$11,500

Individual and Business Impact

As written, the bill would limit refinancing by banks and credit unions of loans for motor vehicles, mobile homes, and motorboats to \$350. Total losses to banks and credit unions is large but not estimated. Businesses would lose interest revenue and consumers would save interest charges as interest rates on deferred deposit loans are lowered from 520 percent to 104 percent. With regard to the deferred deposit provisions only, annual industry losses, and consumer gains are estimated at \$3,000,000.
