



NORTH CAROLINA GENERAL ASSEMBLY

2025 Session

Legislative Fiscal Note

Short Title: Modernize NC S.A.F.E. Act/2d Mortgage Fee Act.
Bill Number: House Bill 762 (Third Edition)
Sponsor(s):

SUMMARY TABLE

FISCAL IMPACT OF H.B. 762, V.3 (\$ in millions)

	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>	<u>FY 2028-29</u>	<u>FY 2029-30</u>
State Impact					
General Fund Revenue	-	-	-	-	-
<u>Less Expenditures</u>	=	=	=	=	=
General Fund Impact		No Fiscal Impact			
Special Fund Revenues	-	-	-	-	-
<u>Less Expenditures</u>	=	=	=	=	=
Special Fund Impact		No Fiscal Impact			
NET STATE IMPACT	No Fiscal Impact				

FISCAL IMPACT SUMMARY

H.B. 762, Modernize NC S.A.F.E. Act/2d Mortgage Fee Act, updates the North Carolina Secure and Fair Enforcement Mortgage Licensing (S.A.F.E.) Act. The NC S.A.F.E. Act is administered by the NC Office of the Commissioner of Banks (NCCOB). NCCOB is wholly receipt-supported and does not receive General Fund support. Therefore, there will be no fiscal impact to the General Fund from H.B. 762.

FISCAL ANALYSIS

H.B. 762 updates Article 19B of Chapter 53 of the General Statutes, the Secure and Fair Enforcement Mortgage Licensing Act, or S.A.F.E. Act. Section 1 eliminates the license and associated fee for branches of mortgage brokers or mortgage lenders and instead requires mortgage brokers and lenders to register each branch with the NCCOB. The branch office fee is currently set at \$300. In FY 2022-23, NCCOB collected 1,151 instances of this fee, totaling \$345,300.



NCCOB is wholly receipt-supported. G.S. 53-244.100A requires mortgage lenders, mortgage brokers, and mortgage services to pay a base assessment to NCCOB of \$2,000 for the first \$1.5 million in servicing volume, plus an additional amount based on the servicing volume of the lender, broker, or servicer. G.S. 53C-8-2(4) further requires NCCOB to review the operating costs of the Commission's divisions, and reduce the assessments for a division proportionally if the assessments will exceed the operating costs for that division. NCCOB has been reducing the assessment for mortgage lenders, brokers, and services; in FY 2024-25 it charged \$1,060 as the base assessment fee, which is \$940 less than the \$2,000 base assessment fee in statute. Because the NCCOB has the statutory authority to increase the assessment fee to cover actual operating costs, up to the statutory base, there will be no net impact to the NCCOB.

The fees and assessments for NCCOB are collected in an enterprise fund and do not accrue to the General Fund. Therefore, there is no fiscal impact to the General Fund.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

NC OFFICE OF THE COMMISSIONER OF BANKS, NC OFFICE OF STATE BUDGET AND MANAGEMENT

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

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