

January 25, 2013

The Honorable Rob Olson, Chairperson  
Senate Committee on Financial Institutions and Insurance  
Statehouse, Room 225-E  
Topeka, Kansas 66612

Dear Senator Olson:

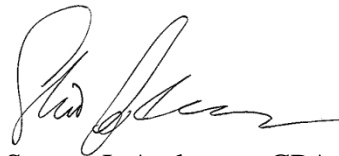
**SUBJECT:** Fiscal Note for SB 52 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 52 is respectfully submitted to your committee.

Under current law, the maximum annual interest rate that can be charged for first real estate mortgages and contracts for deeds cannot be more than 1 1/2 percentage points above a specific monthly floating indexed interest rate by the Federal Home Loan Mortgage Corporation (Freddie Mac). SB 52 would increase the maximum rate to 3 1/2 percentage points above that specific interest rate.

The Office of the State Bank Commissioner indicates that SB 52 would have no fiscal effect on its operations. The bill has the potential to increase loan costs for consumers by allowing lenders to charge higher interest rates for certain real estate mortgages and contracts for deeds. However, the additional costs cannot be estimated.

Sincerely,



Steven J. Anderson, CPA, MBA  
Director of the Budget

cc: Diane Bellquist, Banking