

* Provide an explanation for why you believe or do not believe that the occupational regulations overseen by your board have been effective.

Loan officers who interact and work with loan and credit product customers are in a position of trust and have access to sensitive personal financial information about Nebraska consumers. Loan officers also are given authority by their institutions to make loans of certain amounts without Board approval and therefore can put a financial institution at risk when making loans. The Department and the State have a strong interest in monitoring the industry and removing bad actors. The low amount of license denials demonstrates a low barrier to entry into the profession. The number of licenses revoked or given penalties is very low in comparison to the number of registrants. The existing regulatory framework gives the Department the necessary authority to remove bad actors who misuse customer and credit union funds or take advantage of the sensitive information they have access to or their position of power. The Department would share information with relevant Federal regulators in order to maintain a cohesive supervisory network.

Establishing minimum requirements for loan officers helps protect communities from illegal and possibly predatory practices and may promote local economic growth.

What is the potential harm if this occupation is no longer licensed, certified, or regulated?

Nebraska would lose some of its authority to monitor individuals working in credit unions, remove bad actors, and reduce risk to credit unions. The Department would not be able to ensure that loan officers in credit union meet minimum standards related to character and experience. The ability to remove bad actors is an important protection for Nebraska consumers.

All states, and relevant Federal agencies, have regulatory processes to monitor credit union institutions and provide for their safety and soundness. Violation of any other states credit union regulations may disqualify an individual from working in other states.

* Provide a comparison of whether and how other states regulate the occupation.

See above.