Labor Department Lawyers Can Shift Loan Officer Policy, Court Rules

The Obama administration had the authority to make a 180-degree shift in labor policy and declare thousands of mortgage loan officers subject to wage-and-hour laws, the U.S. Supreme Court ruled, according to a report by *Forbes*.

In concurrences, the court's most conservative justices complains that such deference to regulatory agencies threatens the constitutional balance of powers.

"The high court, in *Perez vs. Mortgage Bankers Association*, unanimously upheld the Labor Department's 2010 determination that mortgage loan officers were mere salespeople, not administrators, and therefore entitled to a 40-hour work week and overtime wages." *Forbes* says. "That was a reversal of the same agency's 2006 decision that loan officers *weren't* entitled to overtime. But the court ruled the Administrative Procedure Act governing how agencies promulgate rules and regulations clearly allows them to issue "interpretive rules" without going through the lengthy notice-and-comment procedure required for regulations that have the effect of law."

Read the story.