



Douglas B. Foster  
Commissioner

# TEXAS

*Department of Savings &  
Mortgage Lending*

## **Senate Committee on Business and Commerce First Quarter 2014 Agency Update**

- All required rule adjustments resulting from statutory changes in the 83<sup>rd</sup> Legislative Session were proposed to and adopted by the Finance Commission of Texas and implemented by the agency prior to the fiscal year end.
  - Mortgage SB1004 – Several cleanup issues related to Chapters 156, 157, and 158 including: authority to participate in Consumer Financial Protection Bureau (CFPB) initiated examinations; adding three hours of Texas specific pre-licensing education in replacement of the current Texas State test; authority to revoke a mortgage banker if another state has revoked its license; exam authority over Credit Union Subsidiary Organizations.
  - Thrift SB1008 – Changes include: elimination of requirements not imposed on any other insured depositories such as minimum liquidity and local service area; elimination of conflict between qualified thrift lender test and commercial non-real estate lending cap; require more recent experience to qualify for commissioner.
- Mortgage Loan Originator License Applications - The volume of new applications has been significantly higher than predicted averaging almost 500 new applications a month for the past 26 months. Recent increases in mortgage rates caused a contraction in originations and are expected to also contract new license applications.
- State Savings Banks – Safety and soundness measures reflect the industry in Texas is stronger than before the recent financial crisis began.
- Dodd-Frank Wall Street Reform Act - The Department is participating in a test project with the CFPB on consumer complaint resolution and information sharing. Many federal rules with significant implications for the availability of mortgage credit are set to take effect January 10, 2014, including definitions for Qualified Mortgages (QM) referred to as “ability to repay” test and loan officer compensation guidance. The Department has recently conducted examiner training for implementation of new examination procedures to cover federal changes.