



Douglas B. Foster  
Commissioner

# TEXAS

*Department of Savings &  
Mortgage Lending*

## **Senate Committee on Business and Commerce Fourth Quarter 2012 Agency Update**

- Chapter 158 – This statute was created by the passage of SB17, by the 82<sup>nd</sup> Legislature, and has resulted in the registration of 84 Third Party Mortgage Servicers, as of August 31, 2012. This does not include mortgage bankers registered under Chapter 157 who have claimed exemption under the Chapter, but have indicated to the Department they are engaged in mortgage servicing. At the request of registered servicers, the Department has been present at two CFPB examinations. Complaints filed against mortgage servicing and loan modification issues now represent more than half of all complaints received by the Department.
- Anticipated Legislation for 83<sup>rd</sup> Session – A bill is anticipated to amend Chapters 156, 157, 158, and 180; many of the amendments are cleanup issues. A few highlights are:
  - Provide the ability to add state specific pre-licensing education
  - Authority to revoke a mortgage banker if revoked by another regulatory agency
  - Move to one individual license type; with ability to work between Chapters
  - Ability to participate in multi-state examinations of servicers with CFPB
- AG Mortgage Servicing Settlement – The Department has received its portion of the settlement (\$500,000). These funds will be placed in the Texas Financial Education Endowment Fund administered by the Finance Commission. The endowment will be utilized to support statewide financial education and consumer credit building activities and programs.

Additionally, the Department participated in a roundtable discussion, hosted by Senator West's office, on how best to utilize the other settlement proceeds which will be deposited into the general revenue fund. In addition, the discussions included the consumer claim process for the funds set aside for negative equity, wrongful foreclosure, and loss mitigation.

- Dodd-Frank Wall Street Reform Act – The Department is monitoring several pending rulemaking processes on the part of the CFPB that may have significant implications for the availability of mortgage credit. This includes setting the definitions for Qualified Mortgages (QM) and Qualified Residential Mortgages (QRM). These standards are frequently referred to as “ability to repay” test and “skin in the game.”