



Douglas B. Foster
Commissioner

TEXAS

*Department of Savings &
Mortgage Lending*

Senate Committee on Business and Commerce First Quarter 2013 Agency Update

- Anticipated Legislation for 83rd Session
 - Mortgage – Several cleanup issues related to Chapters 156, 157, and 158 including: authority to participate in Consumer 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 – 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.
- Chapter 158 – New statute passed during 82nd legislative session as SB 17 has resulted in the registration of 84 Third Party Mortgage Servicers; the number of registrants does not include companies already registered under Chapter 157. At the registrant servicers' request, the Department was present in two CFPB exams. Complaints filed on mortgage servicing and loan modification issues represent more than half of all complaints.
- 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 18 months.
- 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 being issued, including definitions for Qualified Mortgages (QM) referred to as “ability to repay” test and loan officer compensation guidance. The definition of Qualified Residential Mortgages (QRM) or “skin in the game” requirements should be issued soon.