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To: Individual (MU4) Applicants and Licensees  
Entity (MU1) Applicants, Licensees, and Registrants  
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## Individual RMLO Licensing Structure Change

August 23, 2013

Effective September 1, 2013, the Department will no longer offer the six different **individual** mortgage loan originator licenses:

Auxiliary Mortgage Loan Activity RMLO	Credit Union Subsidiary Organization RMLO	Financial Services Company Exclusive Agent
Independent/Contractor Loan Processor and Underwriter	Mortgage Banker RMLO	Mortgage Company RMLO

Instead, the Department will be implementing the statutory changes passed by the 83rd Legislature and consolidate the current licensing structure into one individual license, the TX-SML Residential Mortgage Loan Originator ("TX-SML RMLO") License. NOTE: This change only affects individuals, the MU1 entity licensing structure **will not** change.

**What to Expect.** The Department is anticipating a process that will be smooth and as seamless as possible, with minimal action expected of licensees or applicants. If you currently hold an unexpired individual license, or have applied for one, a system data fix will convert it to the new TX-SML RMLO license/application. For those individuals that hold more than one license, the data fix will expire all but one of them and convert the remaining one to the new TX-SML RMLO license.

**Authorized Activities.** Under the new individual licensing structure, the TX-SML RMLO license will be interchangeable between MU1 entity types, with the submitted and approved sponsorship dictating an individual's authorized activities. A couple of examples:

- An approved TX-SML RMLO license holder solely sponsored by a Mortgage Banker would be authorized to originate residential mortgage loans under the Mortgage Banker statute.
- An approved TX-SML RMLO license holder solely sponsored by an Independent Contractor Loan Processor and Underwriter Company is **not** authorized to originate residential mortgage loans.