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From: Caroline C. Jones, Deputy Commissioner/General Counsel
To: State Savings Bank Presidents and Chief Executive Officers

MLO Open Records Requests for State Savings Banks

January 30, 2012

Among our community of institutions, a variety of warehouse lending programs are either already in operation or being contemplated by boards of directors and senior management. As the Texas state regulator for State Savings Banks, non-depository mortgage entities, and Residential Mortgage Loan Originators ("RMLOs"), we are in a unique position to help facilitate your due diligence in administering such programs. Accordingly, we encourage you to take advantage of our Open Records Policy, which can be accessed from the main page of our website at www.sml.texas.gov or by following this link:

http://www.sml.texas.gov/documents/tdsml_policy/tdsml_open_records_policy.pdf. You may notice that the policy indicates a fee structure for Open Records requests; however, because we have a fundamental interest in the safety and soundness of your institution, Commissioner Foster will waive fees for requests from State Savings Banks related to mortgage entities and RMLOs with whom you intend to conduct business. The Commissioner reserves the right to charge for particularly voluminous requests. You will have an opportunity to revise or rescind your request before incurring such charges.

Open Records Requests must be submitted in writing or email and should be delivered to:

Open Records Request
Texas Department of Savings and Mortgage Lending
2601 North Lamar Boulevard, Suite 201
Austin Texas 78705
Fax (512) 475-1360

You may also contact directly either of the following individuals with any questions or concerns that you might have:

F.C. "Chris" Schneider
Associate General Counsel
(512) 475-0980
Fax (512) 936-2003

Cora Peck
Legal Secretary
(512) 475-2534
Fax (512) 936-2003

When submitting your information requests, please be sure to clearly identify all mortgage entities and RMLOs you wish to receive information on. It would be very helpful if you can include all relevant Nationwide Mortgage Licensing System (NMLS) identification numbers with your request. If you require the information for all RMLOs working within a specific entity, please be sure to clarify that intention. Please also be specific about what information you require. Some of the information you request might include:

1. When was (were) the licensee(s) last examined?
2. Are there or have there been any enforcement actions against the licensee(s)? Please provide a copy of these actions.
3. How many complaints have been registered against the licensee(s) over the past two years? Have these complaints been resolved? How much restitution has been assessed? Has it been paid? Please provide a copy of these complaints and indicate the status or resolution of each complaint.

If a licensee has been examined recently and there is no enforcement action outstanding, this should communicate to you that they are in satisfactory standing with our agency. Also, as you well know, customer complaints against financial service providers can range widely in severity. You may find it useful to know not just the number of complaints, but also the nature of these complaints and how they were resolved. We are somewhat restricted in what we can release about complaint resolution, but if the complaint is not satisfactorily resolved, you can then use that information to enhance any further discussion that you have with the licensee/registrant.

A list of enforcement actions is also available on our website at http://www.sml.texas.gov/ResidentialMortgageLoanOriginator/rmlo_enforcement_actions.html. In addition, you can look up the license/registration status of any individual or company at <http://www.nmlsconsumeraccess.org>. There you can determine whether the license is active or not, or has been suspended or revoked for any reason. Each of these are also linked on the main page of our website.

Due diligence in evaluating your correspondent mortgage loan originators is a valuable tool in mitigating risk to your institution. We stand ready to support you in both your initial and periodic reviews and strongly encourage you to take advantage of the Open Records system to enhance your risk management programs and processes.

If you have any questions about the Open Records Request system, please contact either Chris Schneider or Cora Peck at the contact information listed above.

Thank you.