

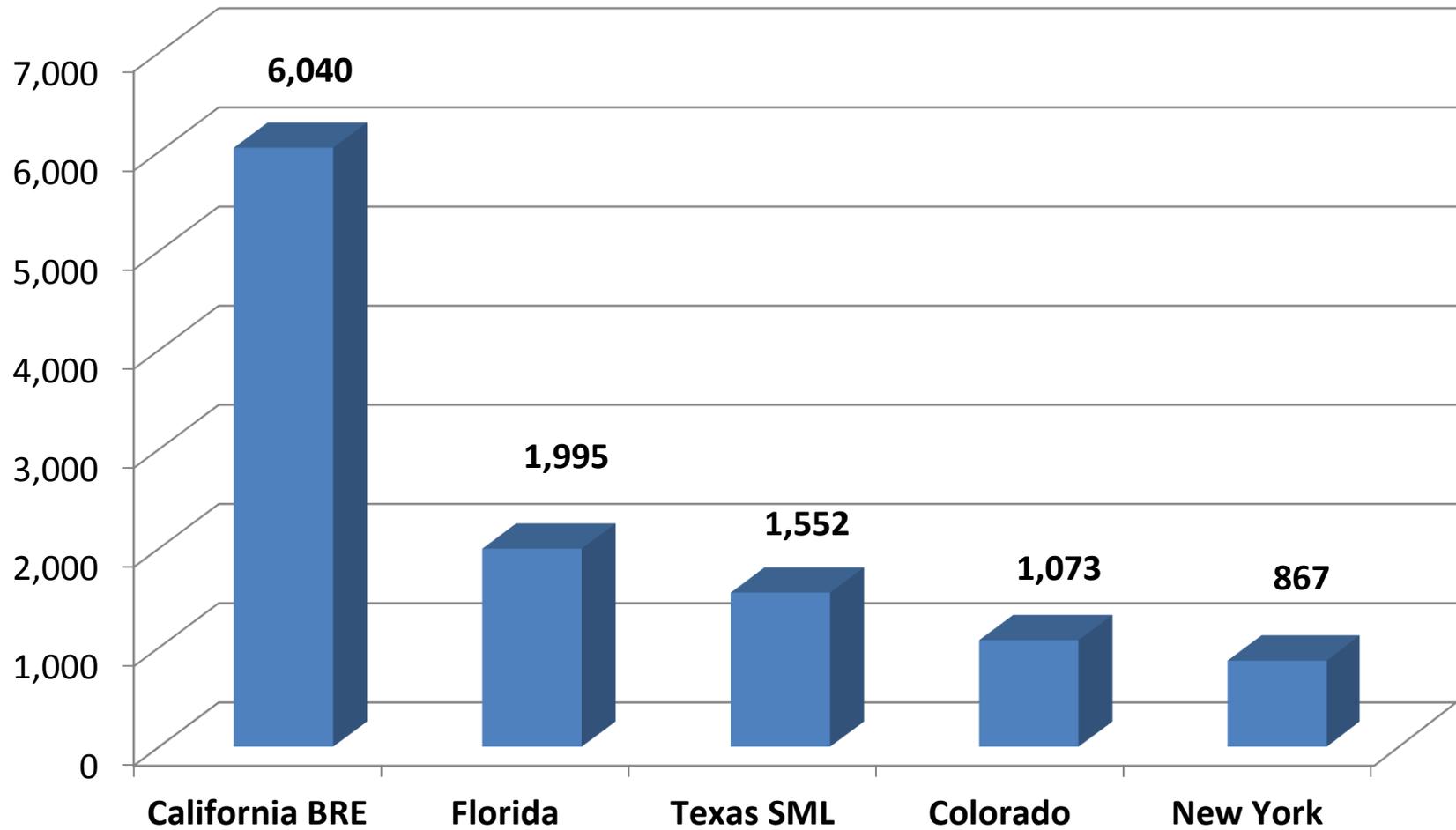
# TEXAS DEPARTMENT OF SAVINGS & MORTGAGE LENDING

---

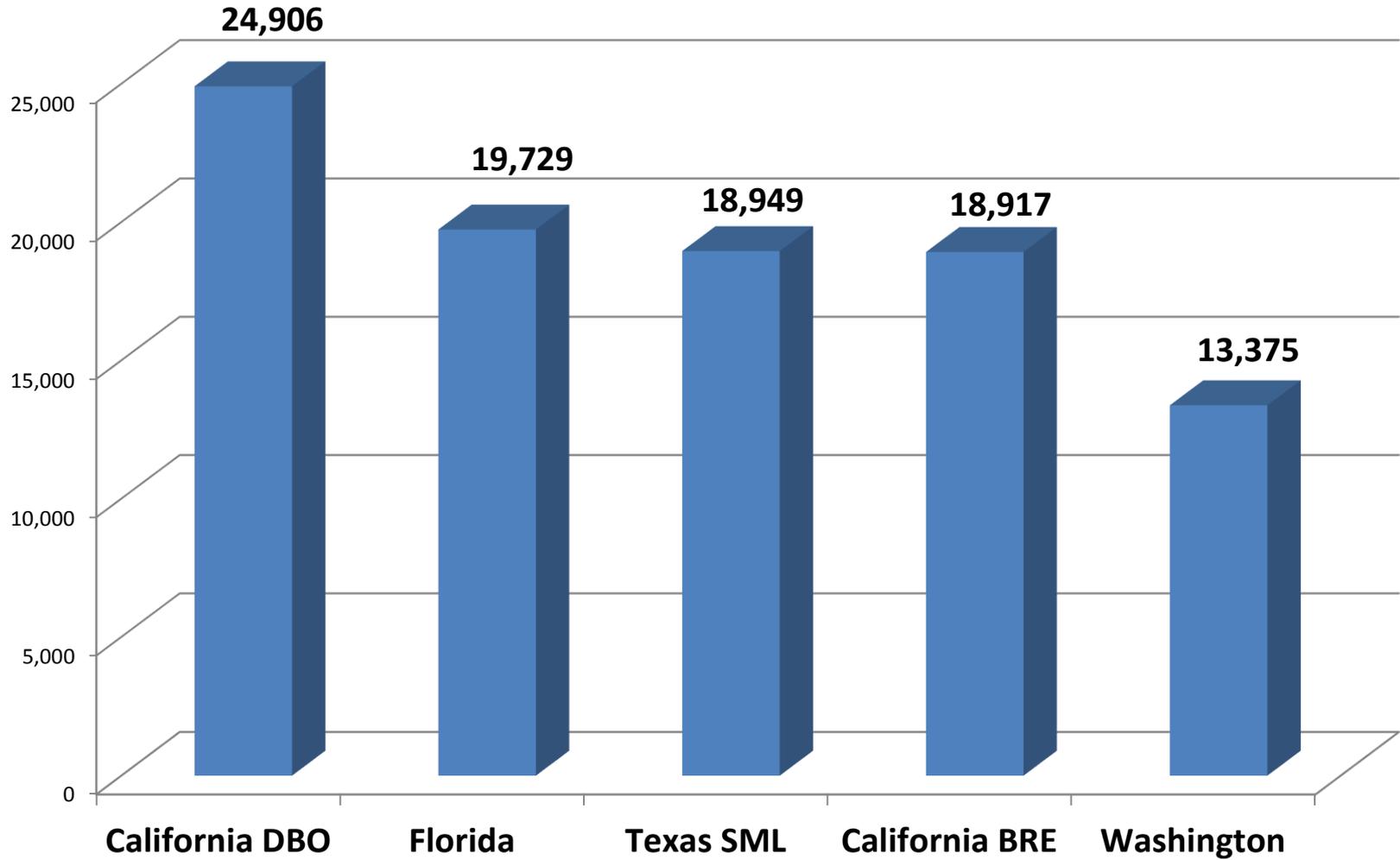
Tony Florence  
Director of Mortgage Examination

# Licensing Data

## Top Five States by # of State Licensed Mortgage Entities Q4 2014

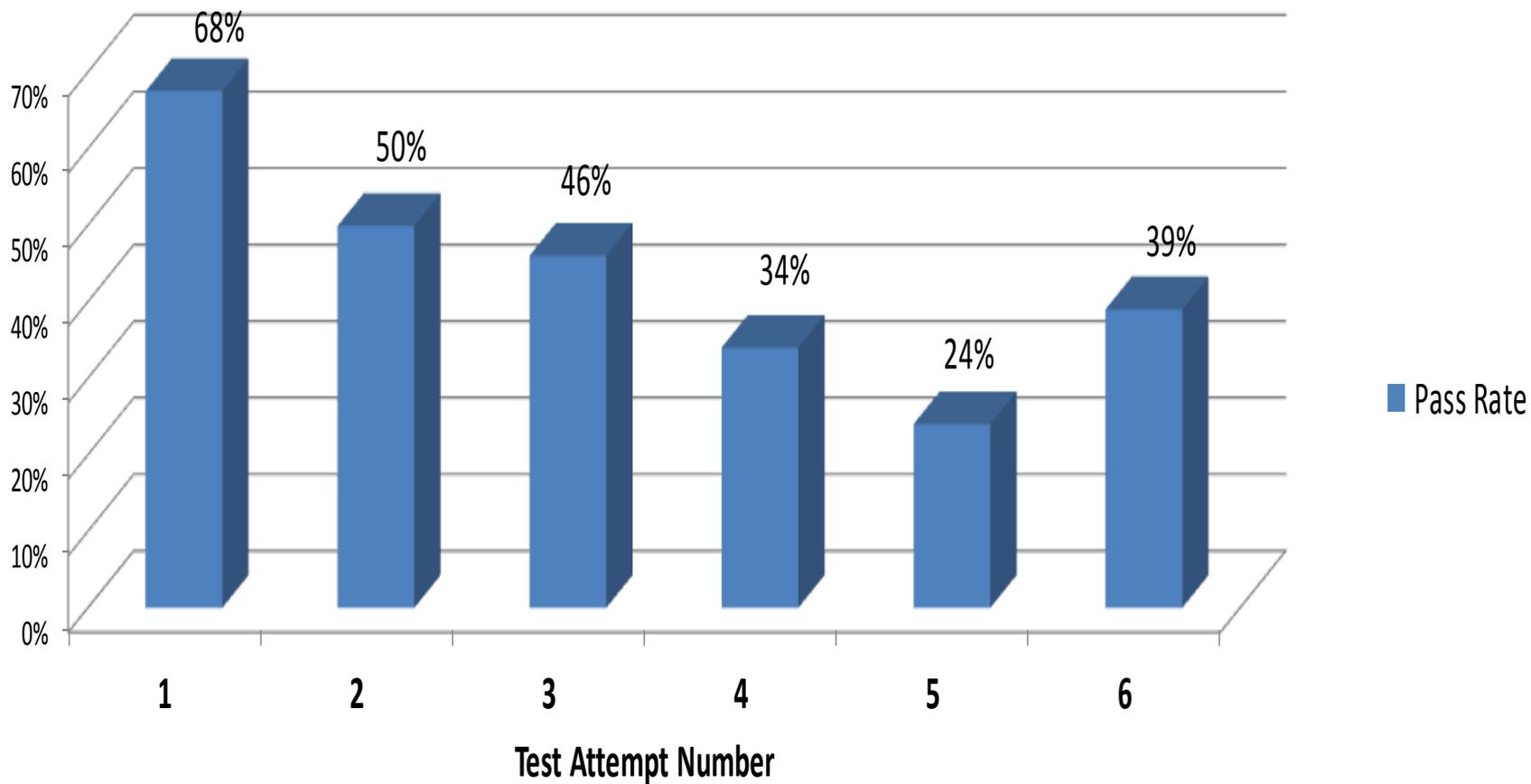


## Top 5 States by # of State Licensed Originators Q4 2014



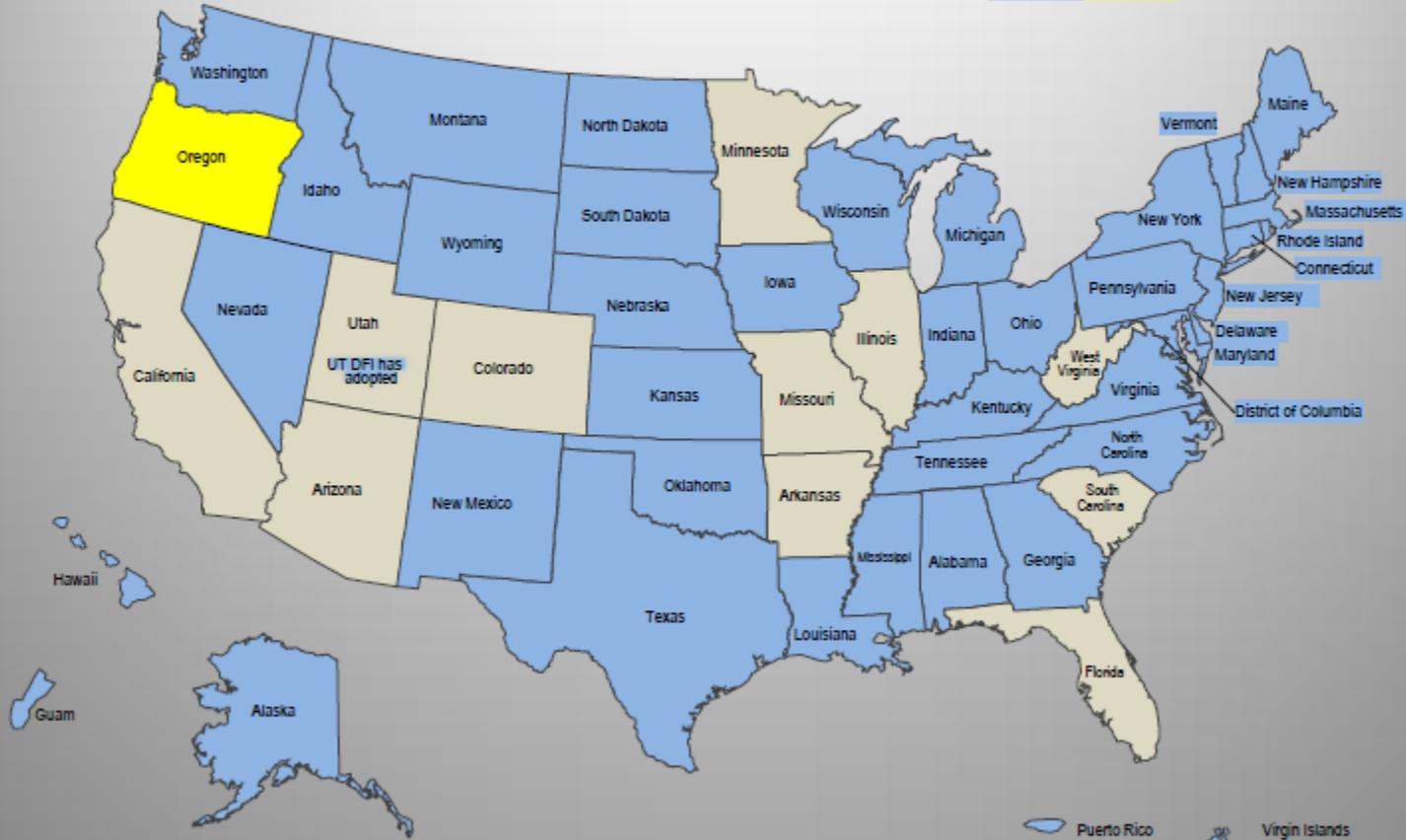
# National Test with Uniform State Content

## April 1, 2013 to February 28, 2015

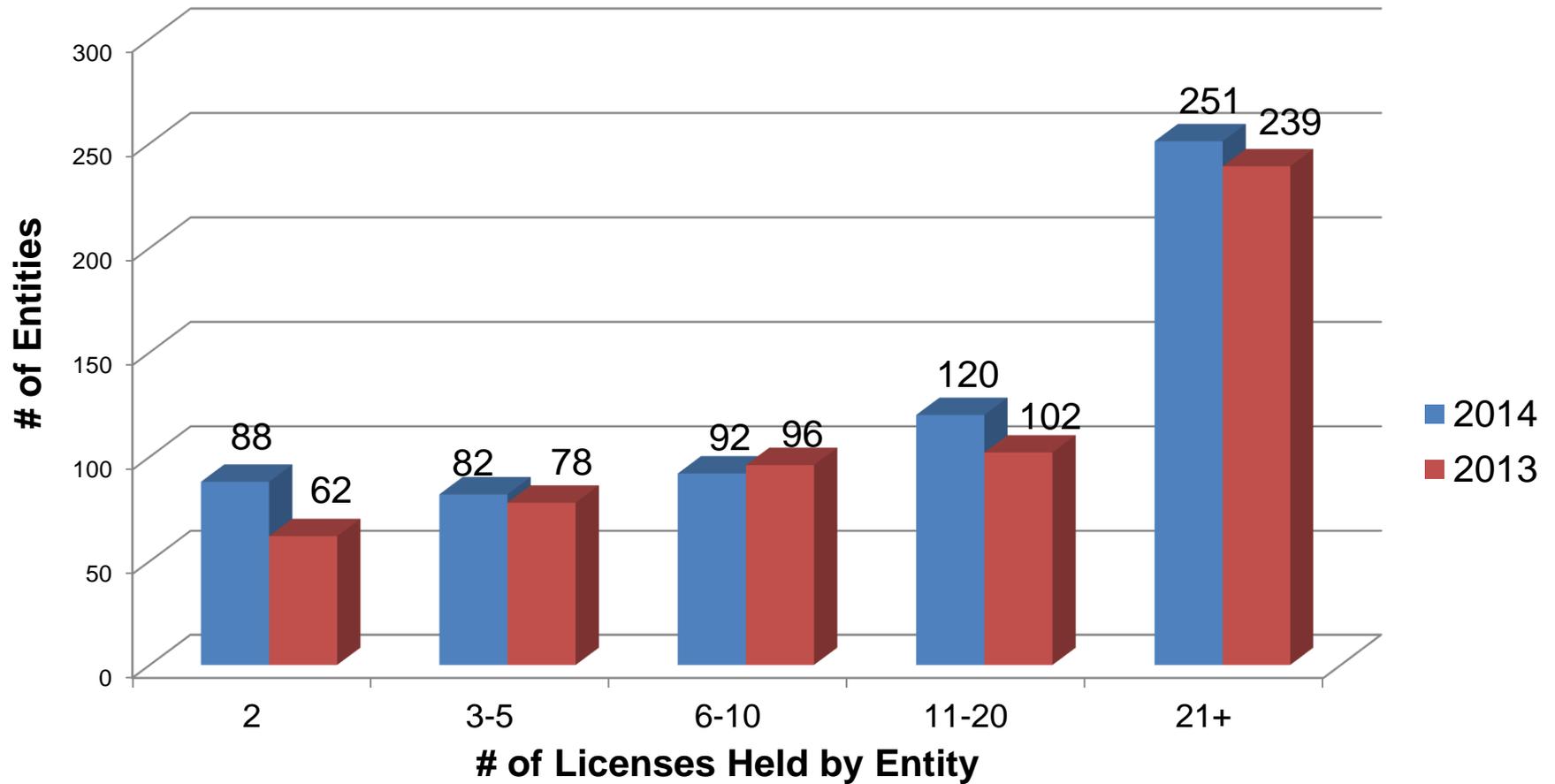


# State Adoption of Uniform State Test

States which have adopted the UST	States which will adopt the UST on 1/1/15	States which have not adopted the UST
-----------------------------------	---	---------------------------------------

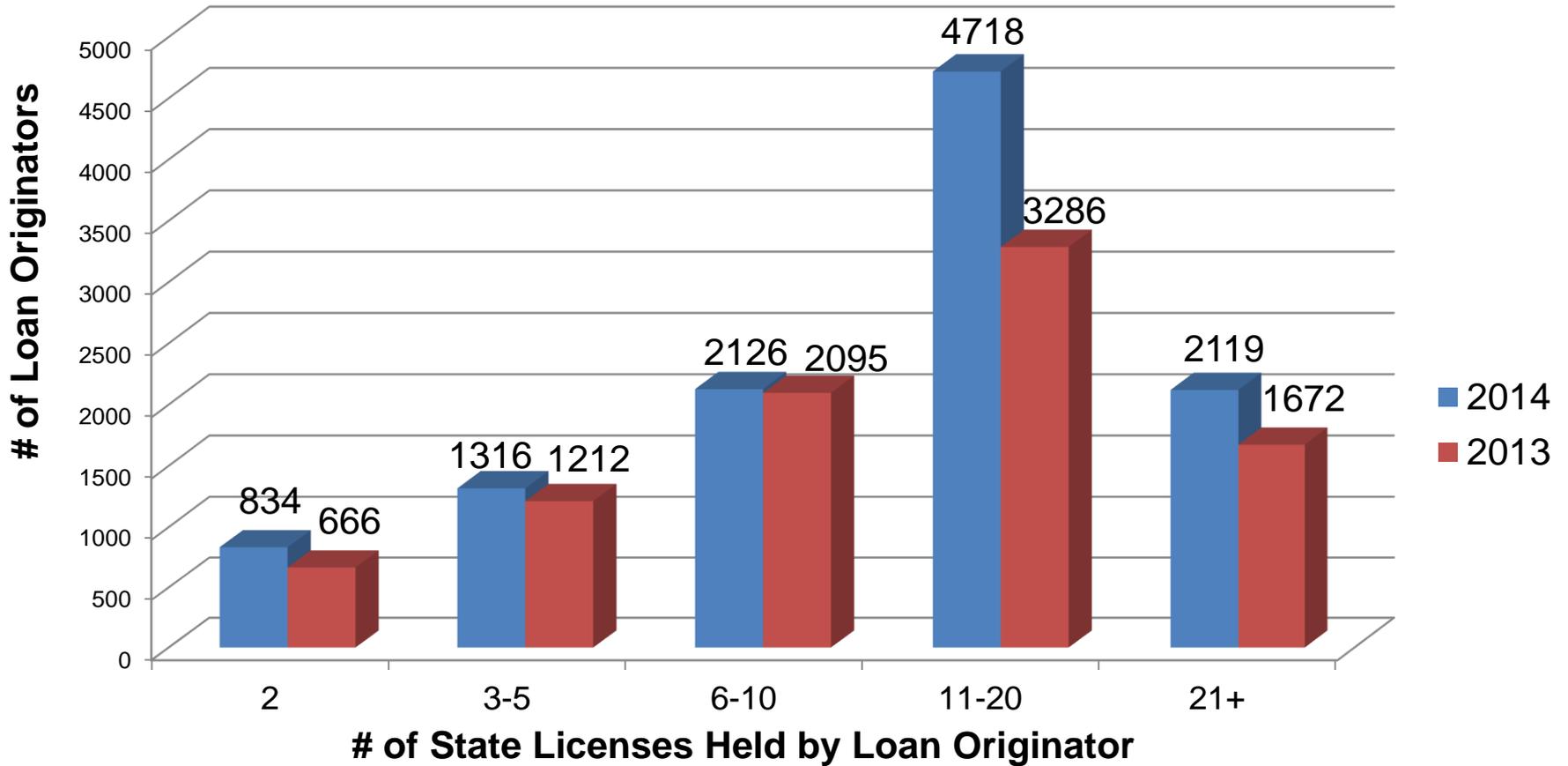


## Entity State Licenses Held (Texas Licensed Entities) Q4 2014



\* Out of 1,552 Texas-licensed entities, 919 were licensed only in Texas (60%)

# Originator Licenses Held (Texas Licensed Originators) Q4 2014



\* Out of 18,949 Texas-licensed originators, 7,836 were only licensed in Texas (41%)

## Historical Individual Licensee Population



<b>March 1, 2015</b>	<b>16,723</b>
----------------------	---------------

September 2014	17,617
----------------	--------

September 2013	15,739
----------------	--------

September 2012	13,677
----------------	--------

September 2011	13,086
----------------	--------

September 2010	8,690
----------------	-------

September 2009	12,193
----------------	--------

**Peak in 2005 at over 30,000**

# Mortgage Examination Data

# Examination Data

- Fiscal Year 2014
  - Examinations completed 366
  - Licensees covered by exams 3,240
- Fiscal Year 2013
  - Examinations completed 543
  - Licensees covered by exams 3,236
- Fiscal Year 2012
  - Examinations completed 279
  - Licensees covered by exams 5,543

# Most Cited Exam Violations

- **Failure to deliver a properly executed TX Mortgage Company / TX Mortgage Banker Disclosure**

TAC 80.200(a) Mortgage Company Originators

TAC 81.200(a) Mortgage Banker Originators

- Originator name and NMLS number missing
- Using a non-standard or outdated form
- Delivery information

# Most Cited Exam Violations

(continued)

- **Unlicensed / Unauthorized Activity**
  - ❑ Individual begins originating loans prior to license application being approved
  - ❑ RMLO continues to originate after license expired
  - ❑ RMLO originates loans with an inactive license

# Most Cited Exam Violations

(continued)

- **Issuance of Incomplete Qualification or Approval Letters**
  - TAC 80.201 (Form A & B)
  - TAC 81.201 (Form A & B)

# Conditional Qualification or Approval Letters

- ❑ Originator Data (NMLS, Address, Phone)
- ❑ Loan Data (Loan Amount, Rate, Term, LTV)
- ❑ Application & Verification Data (Credit, Income, Down Payment, Etc...)

# Most Cited Exam Violations

(continued)

- **Advertising**

- ❑ RMLO's NMLS ID missing on business cards or website
- ❑ Website does not display the Complaint/Recovery Notice
- ❑ Social Media (Facebook) including advertisements but not including requirements (NMLS ID and Complaint /Recovery Fund Notice)
- ❑ Advertising does not have physical address

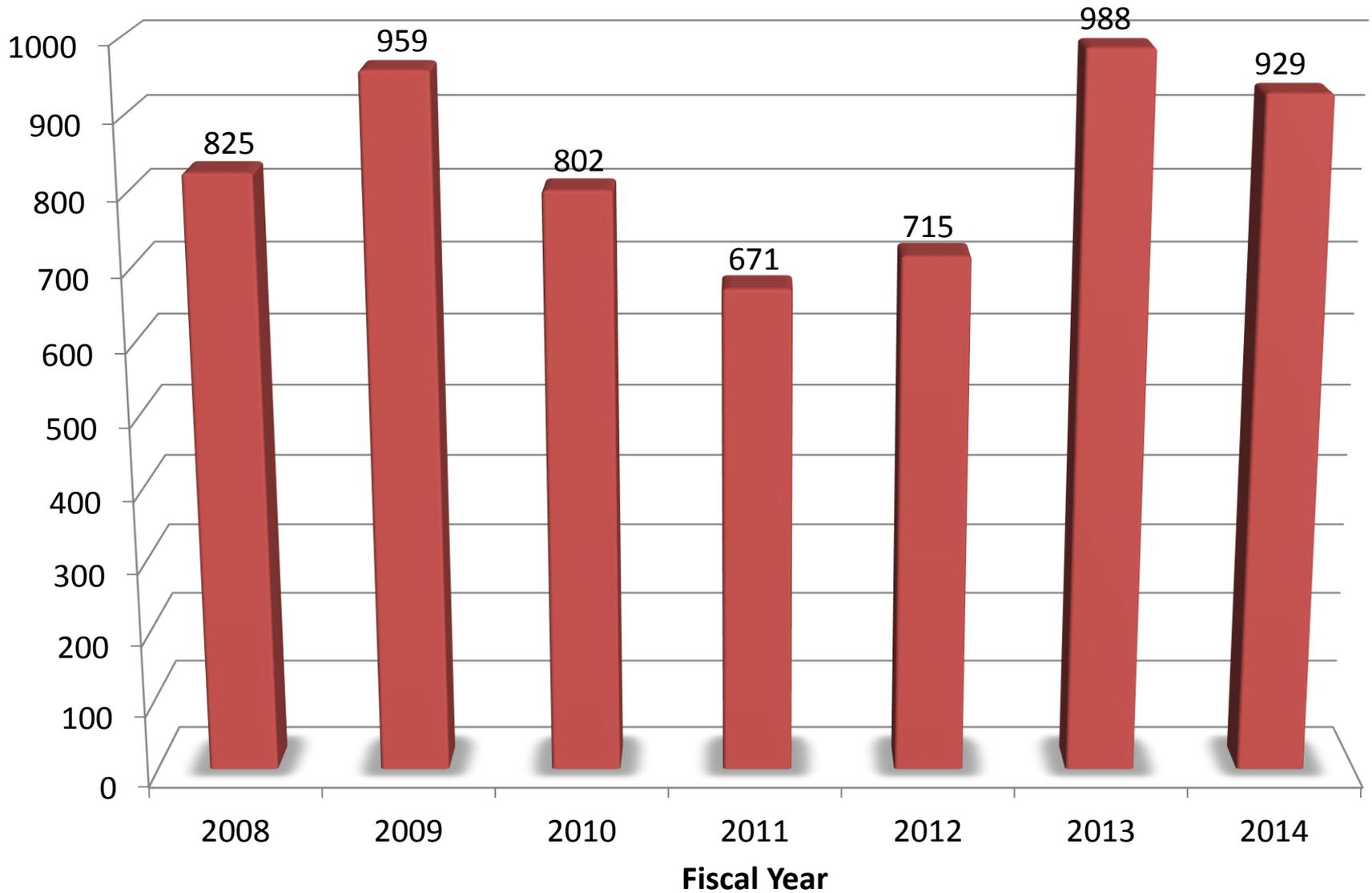
# Social Media Best Practices

- **Establish a Social Media Policy**

- ❑ Define what type of content is acceptable and unacceptable
- ❑ Implement an approval process for establishing social media accounts
- ❑ Conduct regular employee training
- ❑ Establish repercussions for violating the policy
- ❑ Establish monitoring procedures

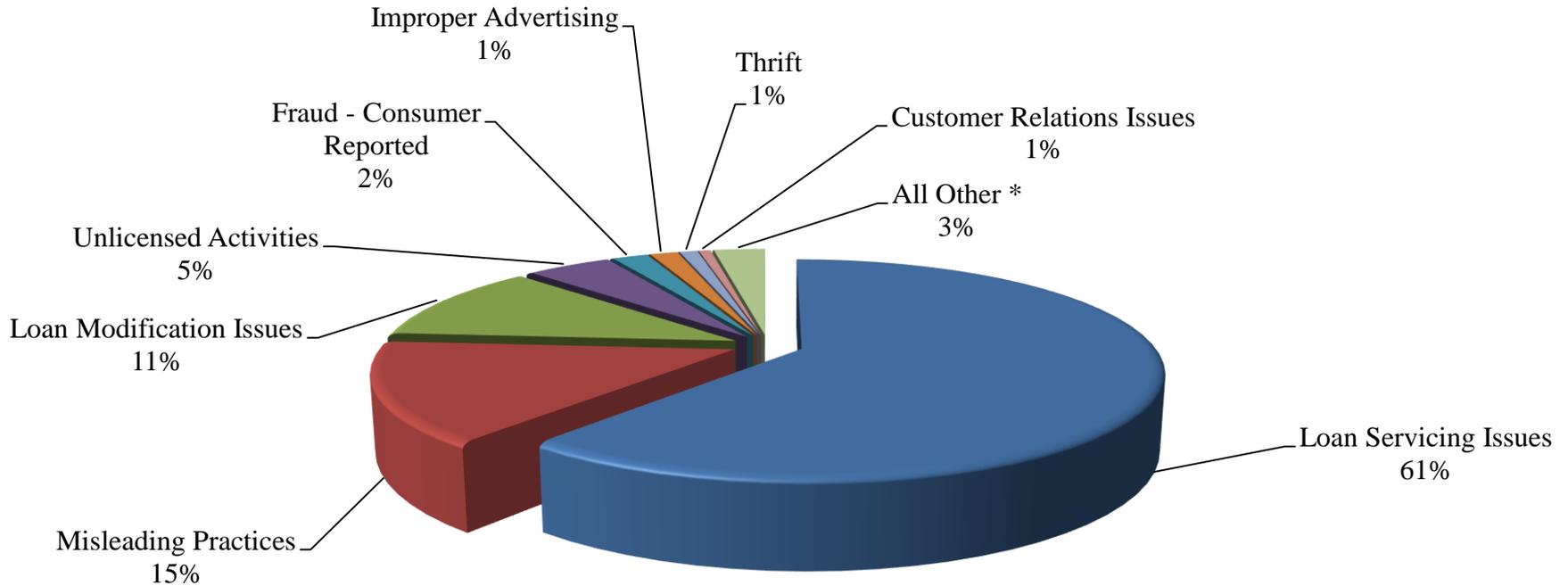
# Consumer Complaints

## Consumer Complaints Received



## Nature of Complaints Received - Fiscal Year 2014

(Complaints Received 09-01-2013 to 08-31-2014)

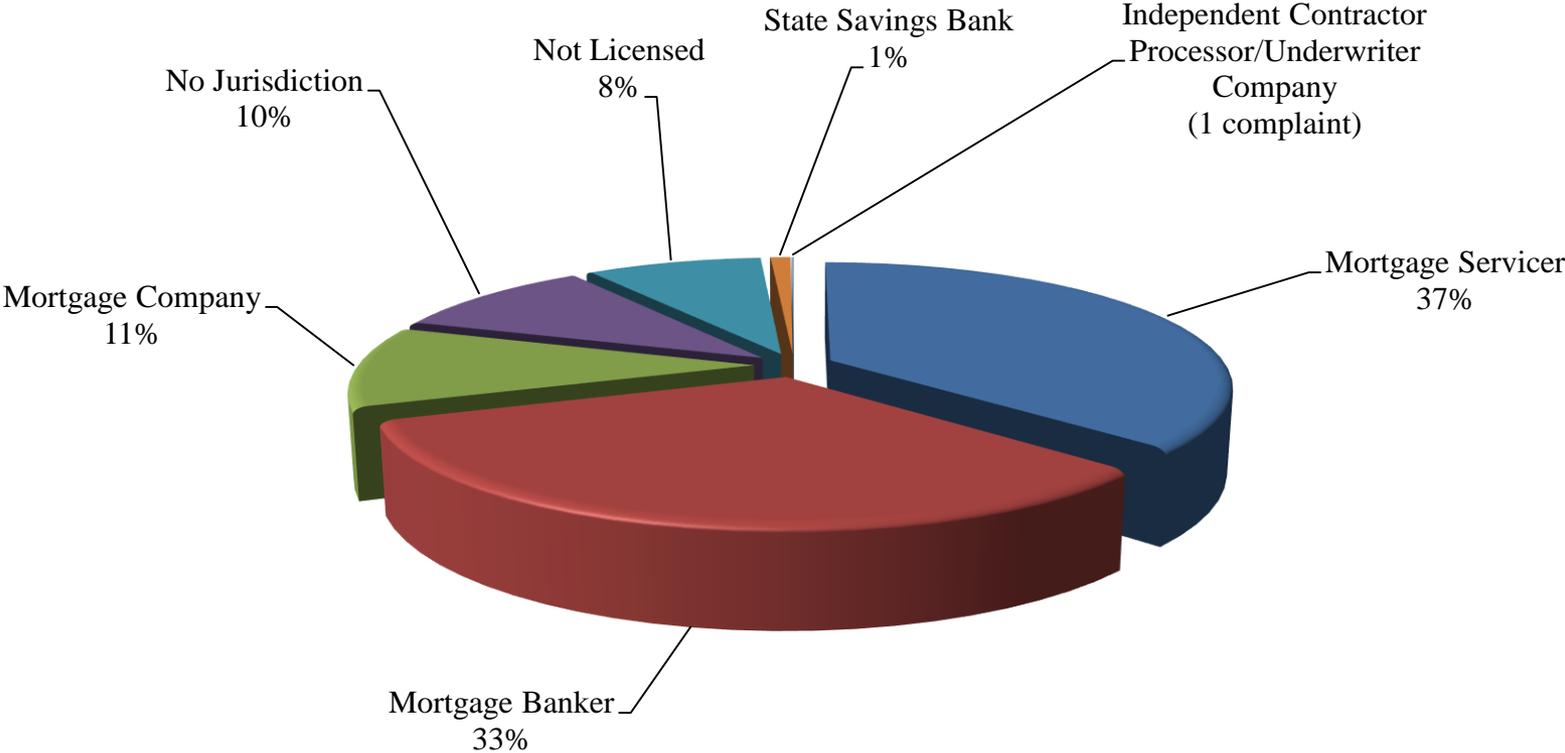


Total Complaints Received in Fiscal Year 2014 = 929

\* The "All Other" Category includes: Refunds and File Transfers, Fraud-Industry Referral, Bait and Switch, Failure to Pay Appraisers/Vendors, Permissible Charges/Fees, Inadequate Disclosures, and Identity Theft.

# Respondent License Types - Complaints Received in Fiscal Year 2014

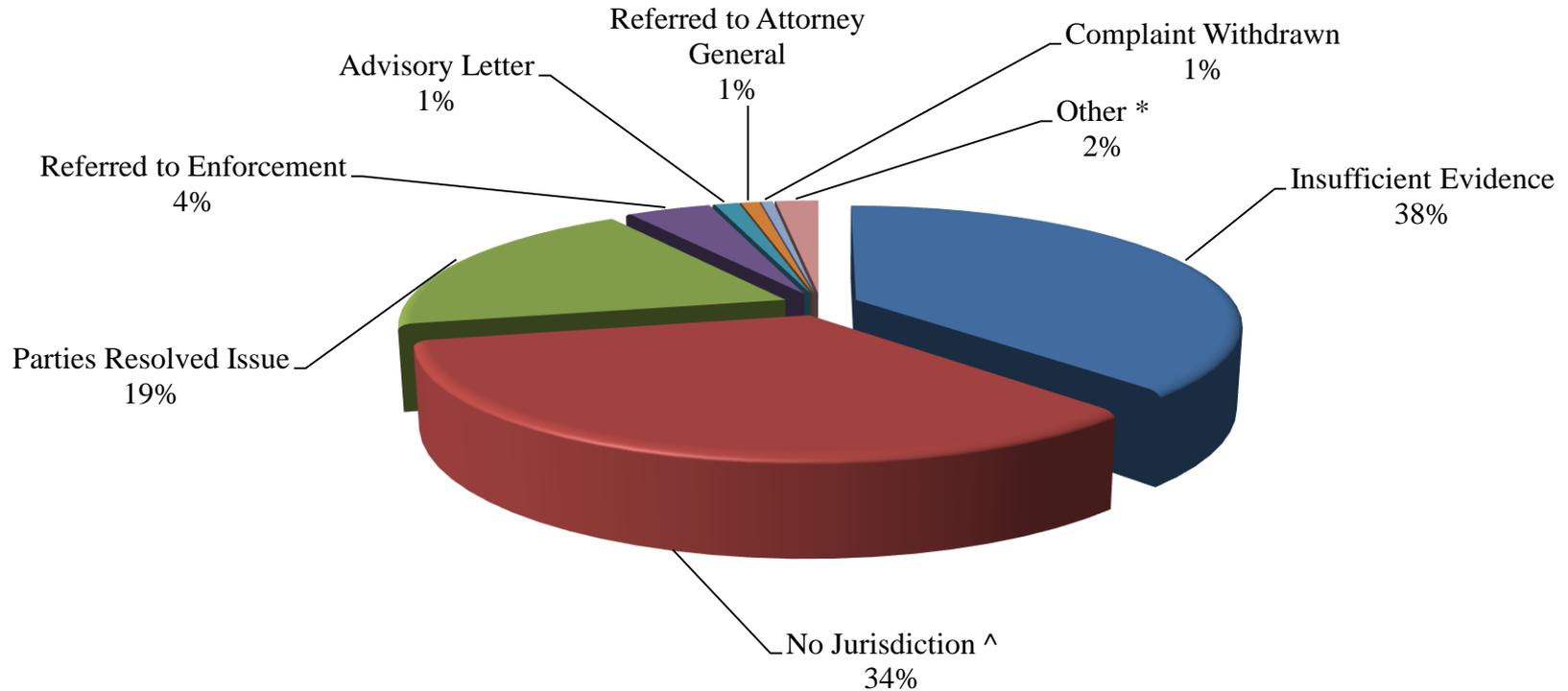
(Complaints Received 09-01-2013 to 08-31-2014)



Total Complaints Received in Fiscal Year 2014 = 929

## Disposition of Resolved Complaints - Fiscal Year 2014

(Complaints Resolved Between 09-01-2013 and 08-31-2014)



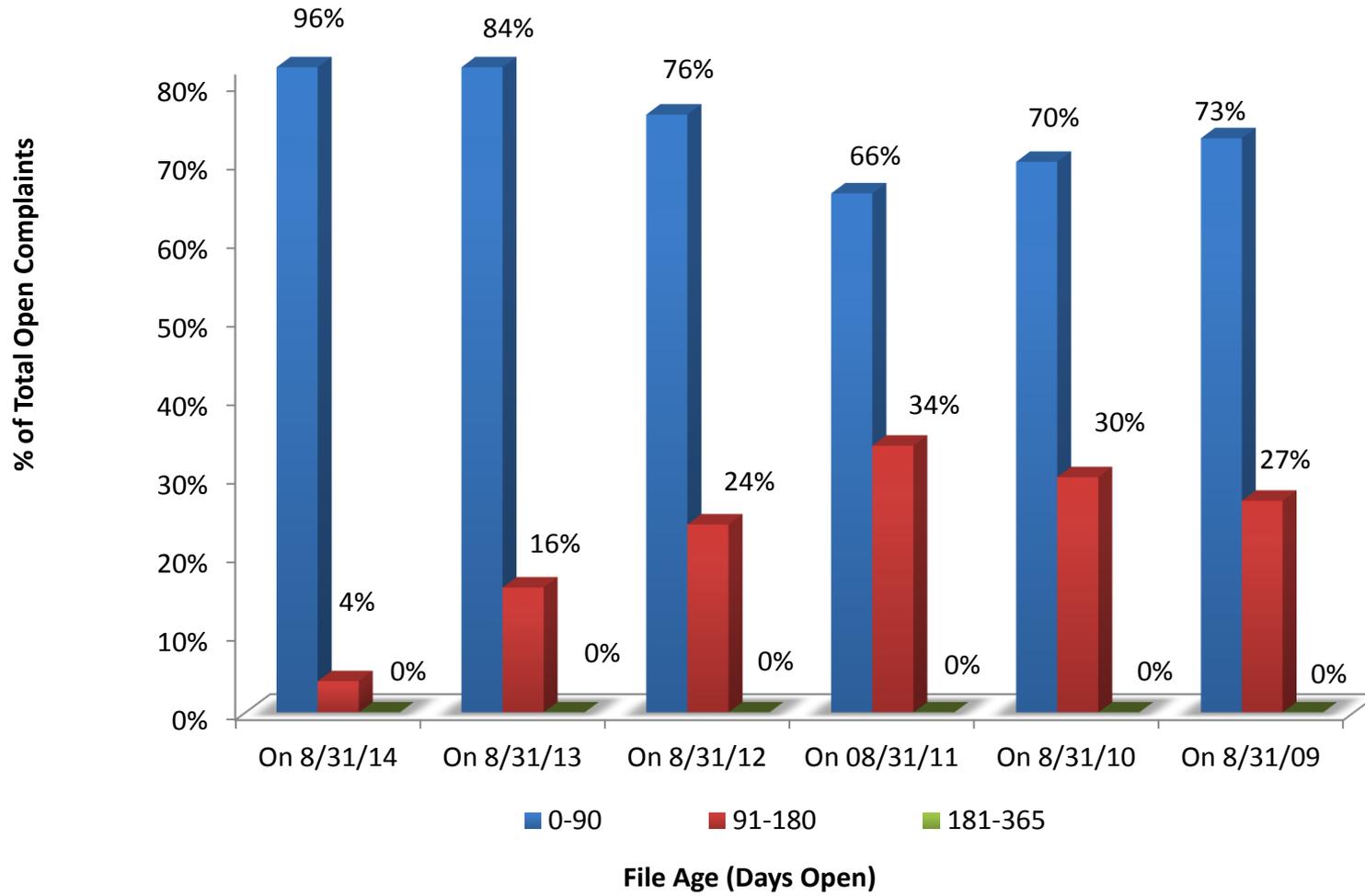
Total complaints resolved in Fiscal Year 2014 = 973

^ The "No Jurisdiction" category includes: complaint against exempt entities/individuals (No Jurisdiction-Exempt), complaints regarding issues outside the Department's authority (No Jurisdiction Over Issue), and complaints against entities/individuals with expired licenses (No Jurisdiction-License Expired).

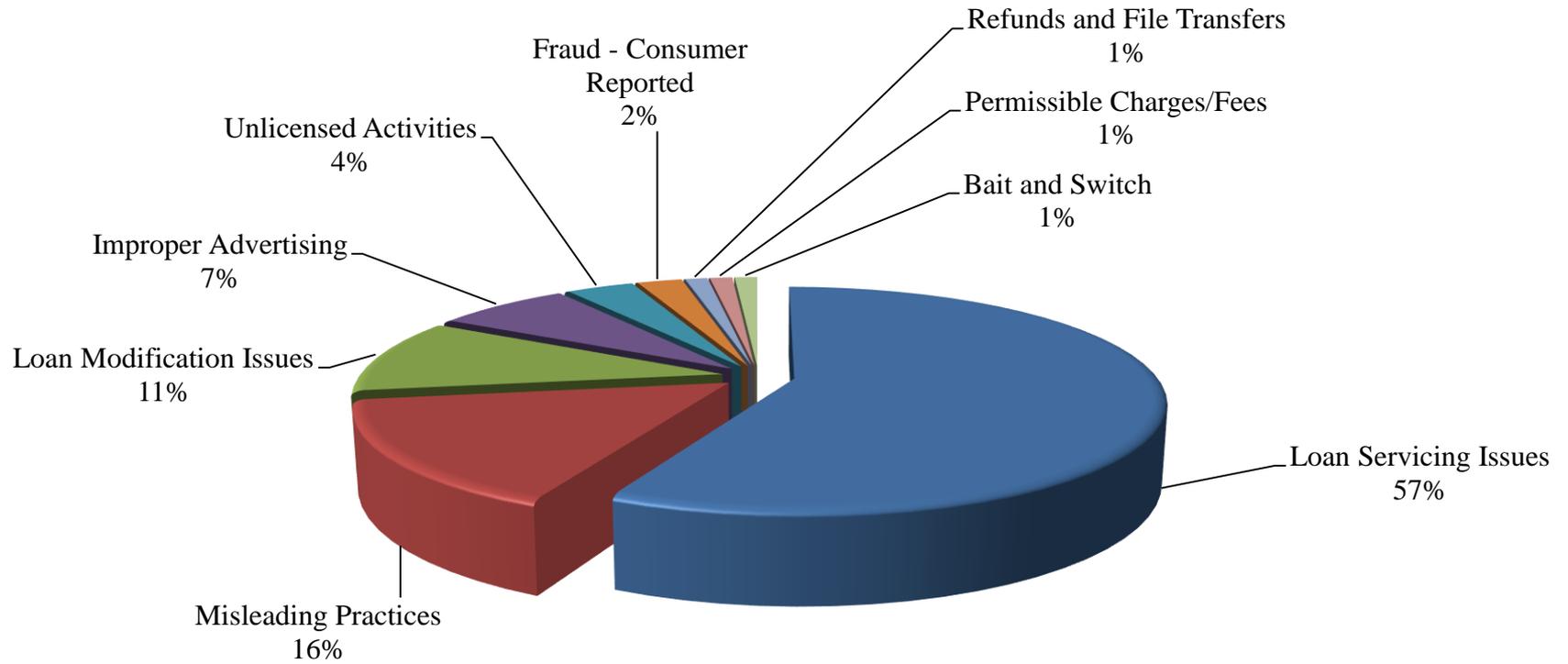
\* The "Other" category includes: Consolidated with Another File, Opened in Error, Information Only, No Investigation, and Failure to go Forward

## Complaint File Aging

(Expressed as a percentage of all open complaints on the specified date)



## Nature of Open Complaints as of 08/31/2014



Total Open Complaints as of 08-31-2014 = 84

Questions?