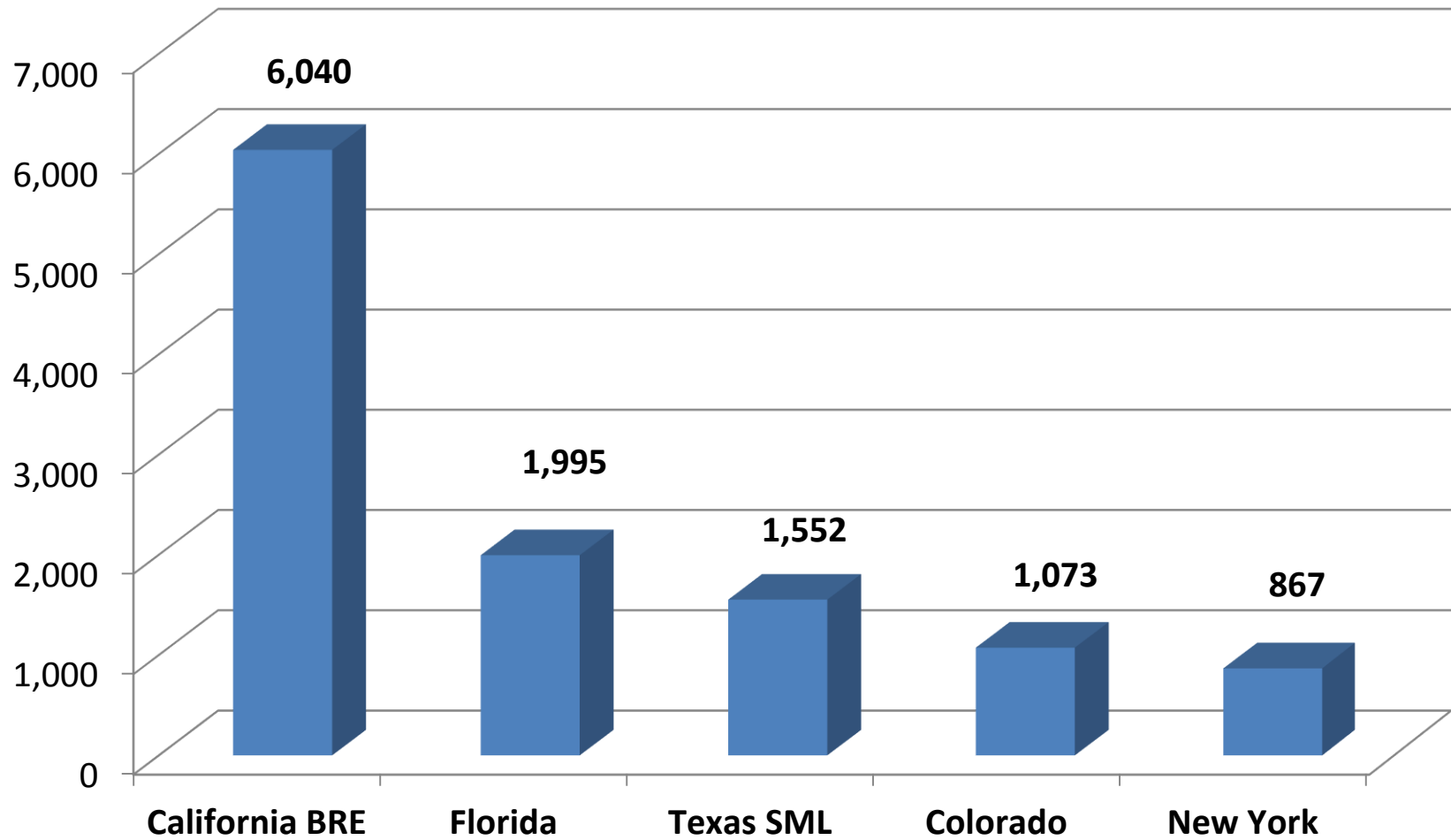


TEXAS DEPARTMENT OF SAVINGS & MORTGAGE LENDING

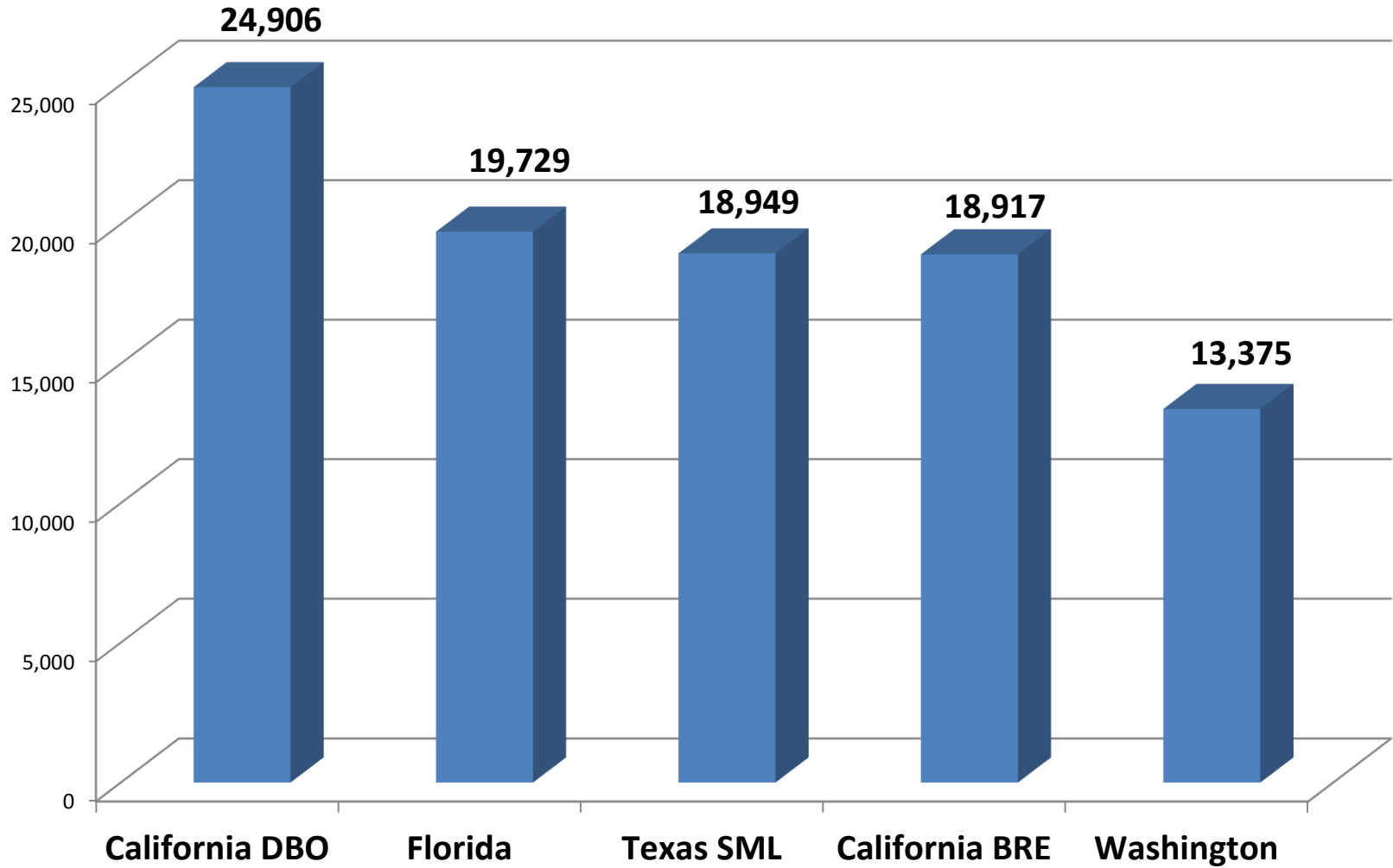
Tony Florence
Director of Mortgage Examination

Licensing Data

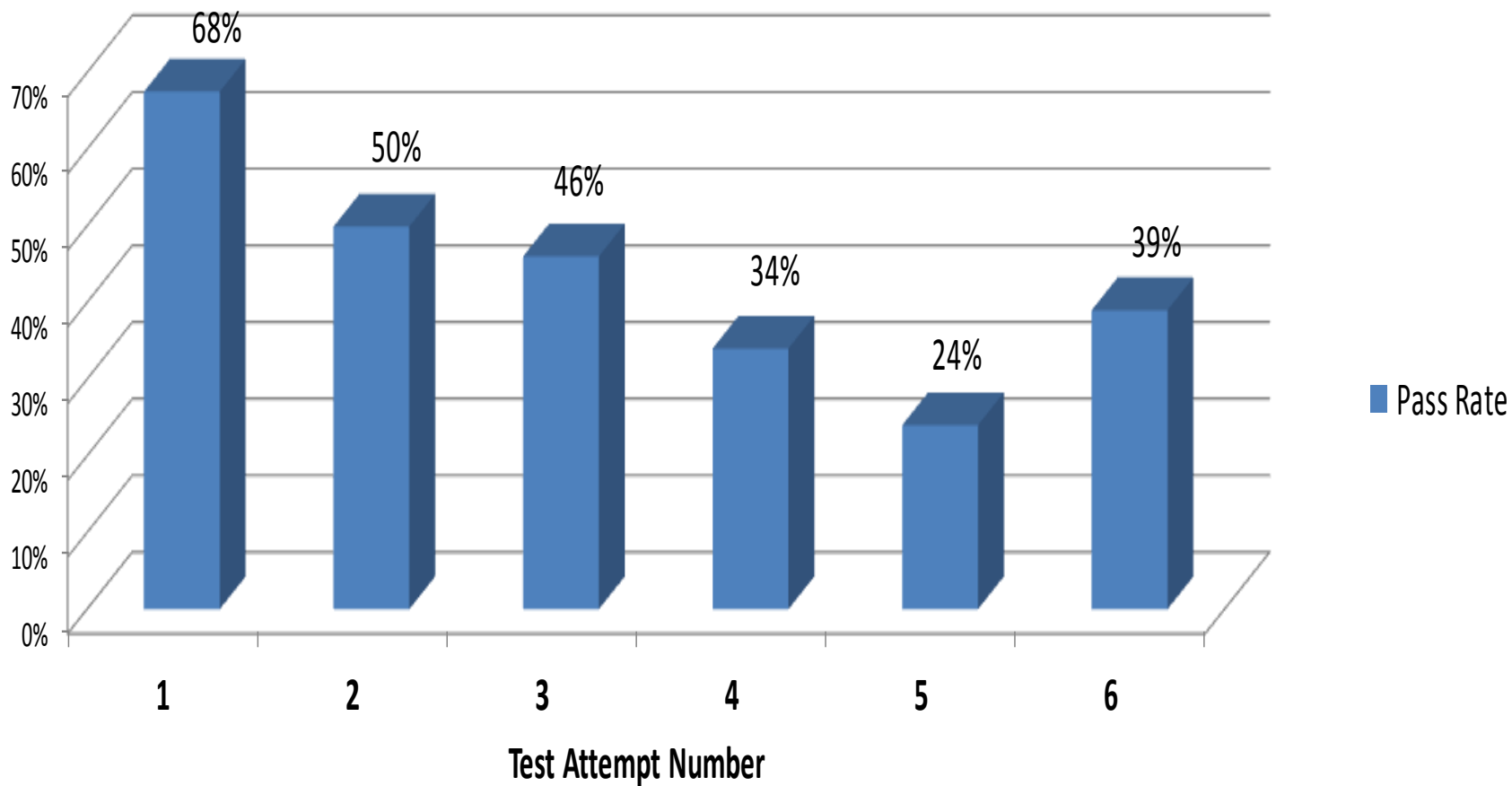
Top Five States by # of State Licensed Mortgage Entities Q4 2014



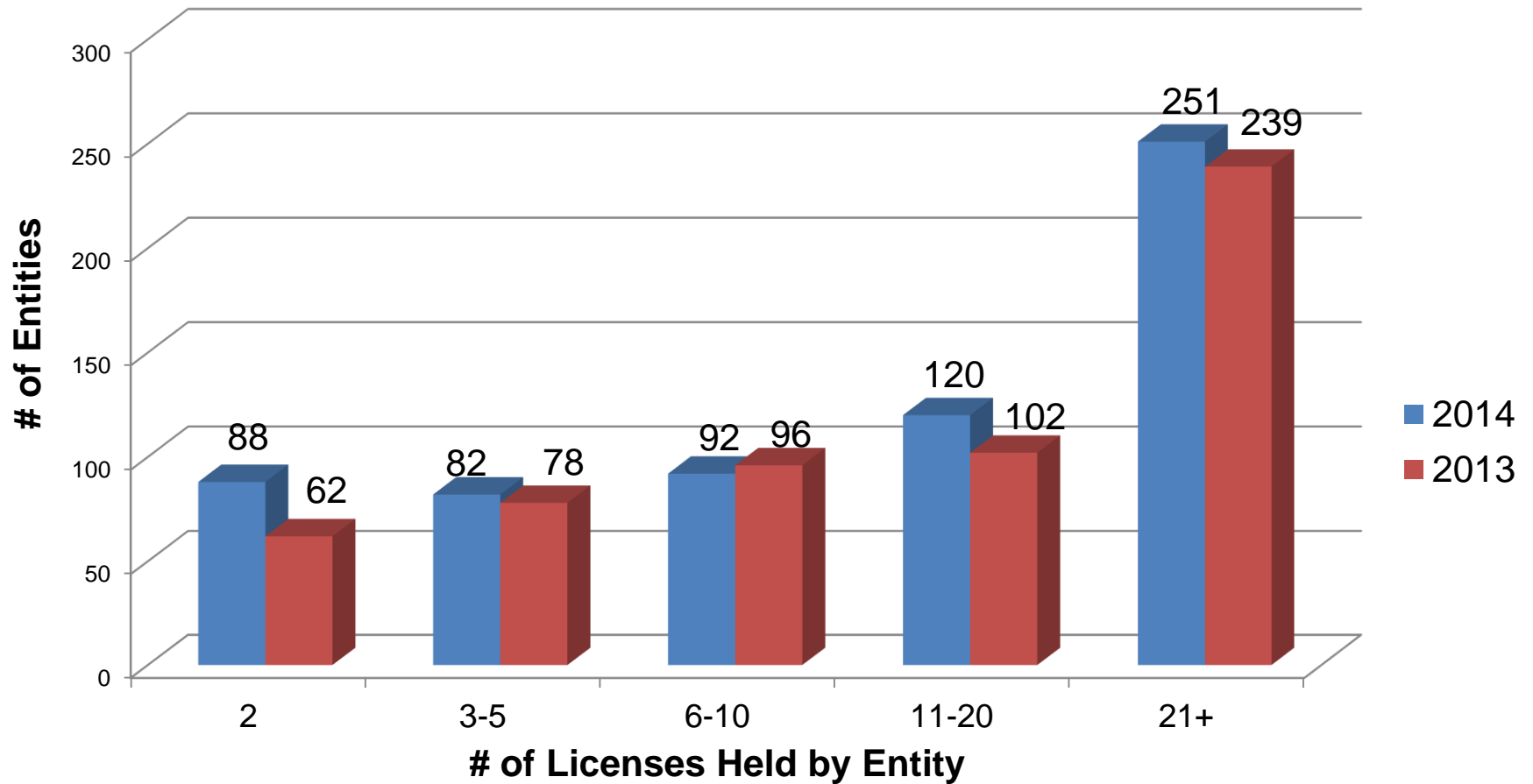
Top 5 States by # of State Licensed Originators Q4 2014



National Test with Uniform State Content April 1, 2013 to February 28, 2015

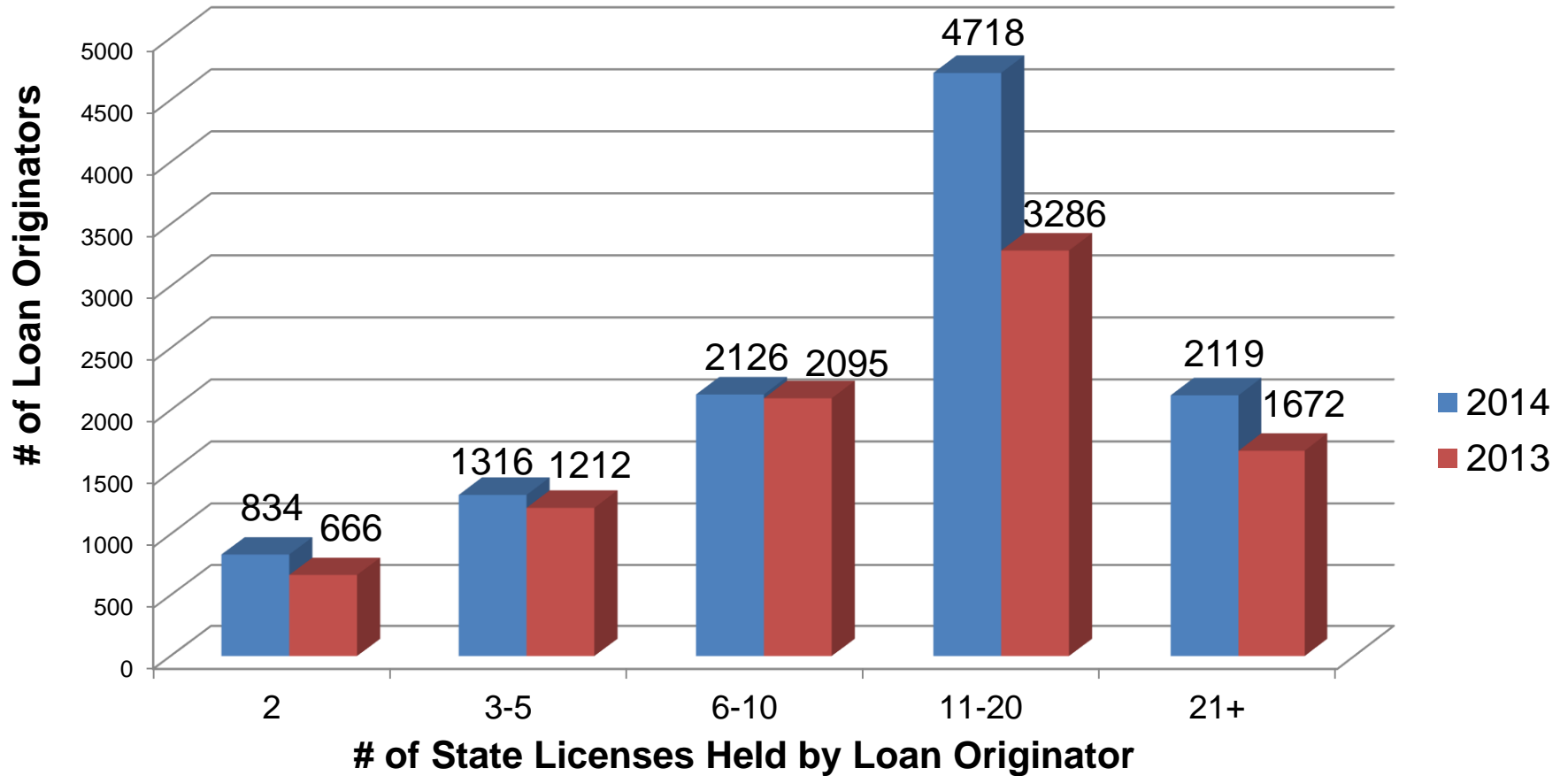


Entity State Licenses Held (Texas Licensed Entities) Q4 2014



* 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



March 1, 2015	16,723
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September 2014	17,617
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September 2013	15,739
----------------	--------

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

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

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

September 2009	12,193
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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

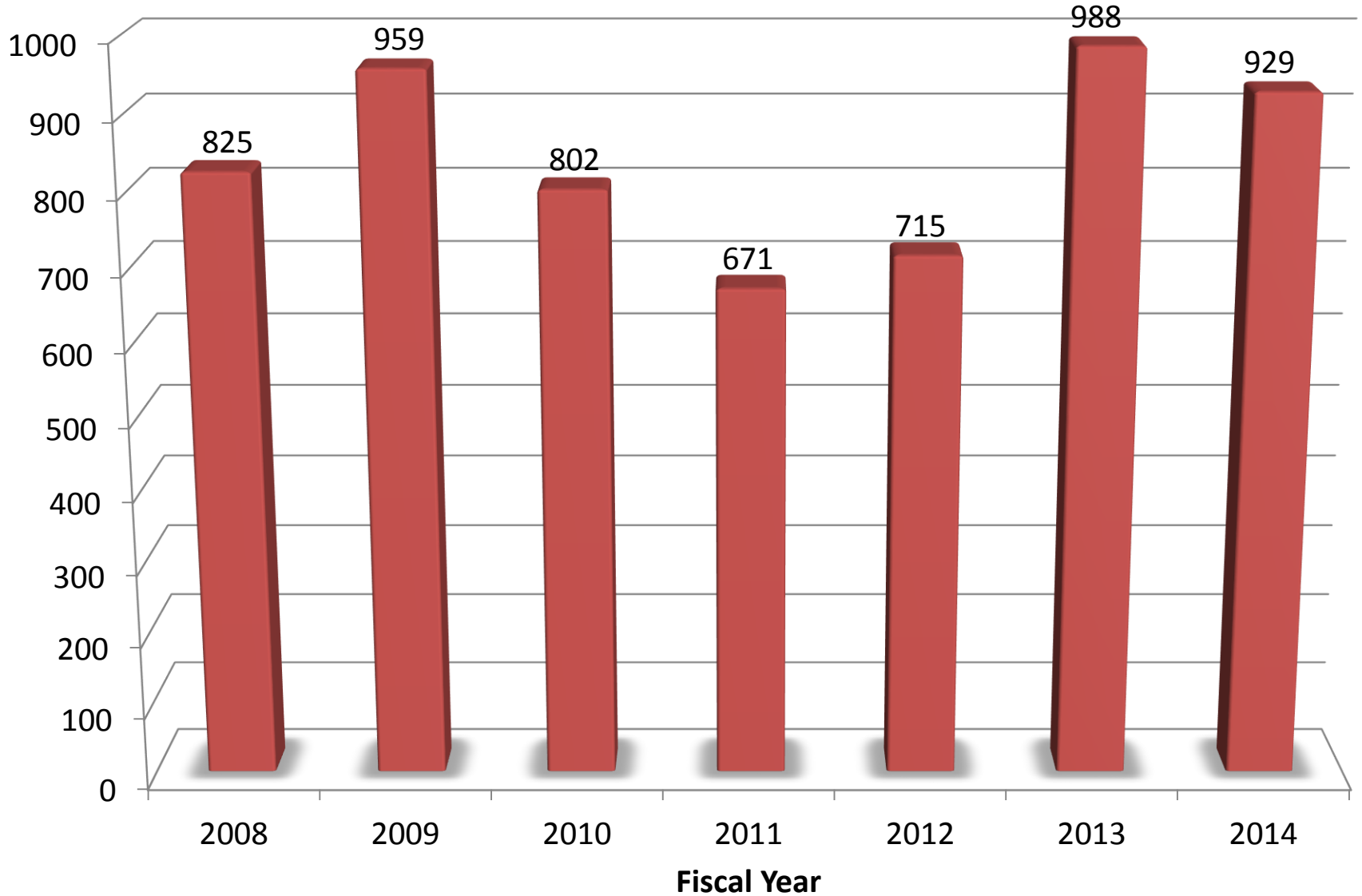
Social Media Best Practices

- **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

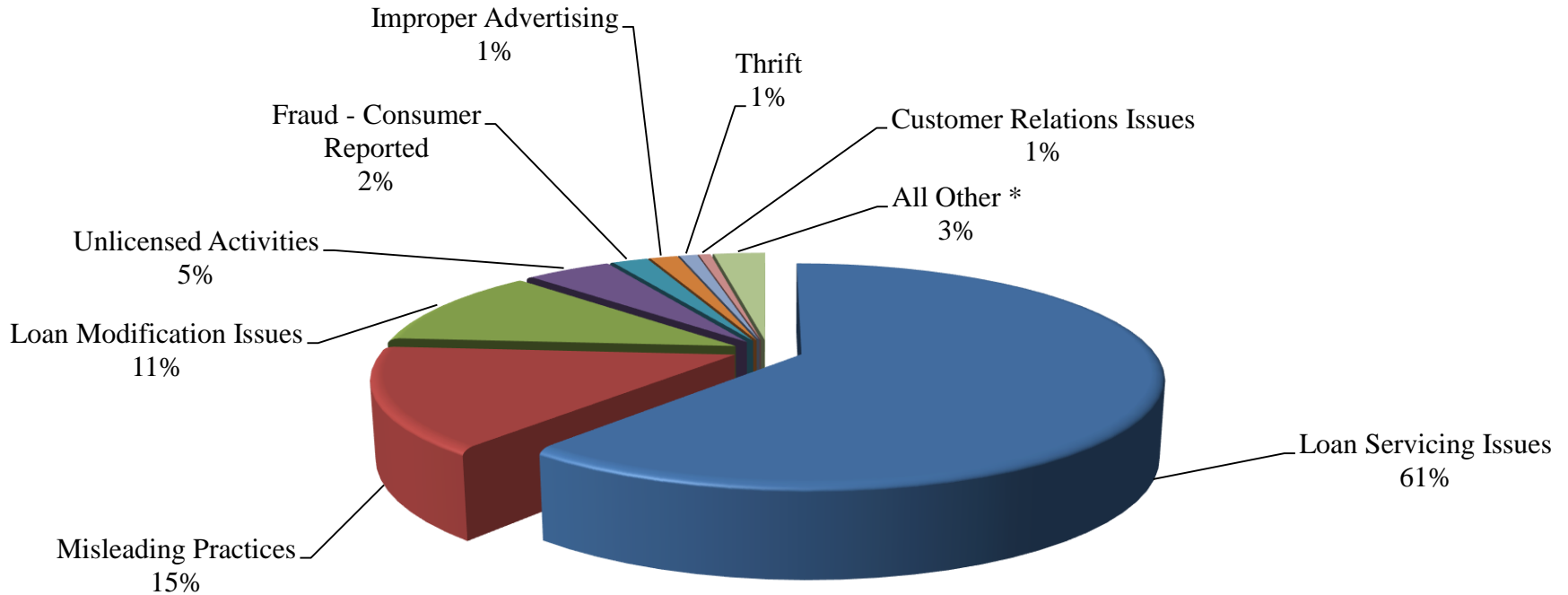
Consumer Complaints

Consumer Complaints Received



Nature of Complaints Received - Fiscal Year 2014

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

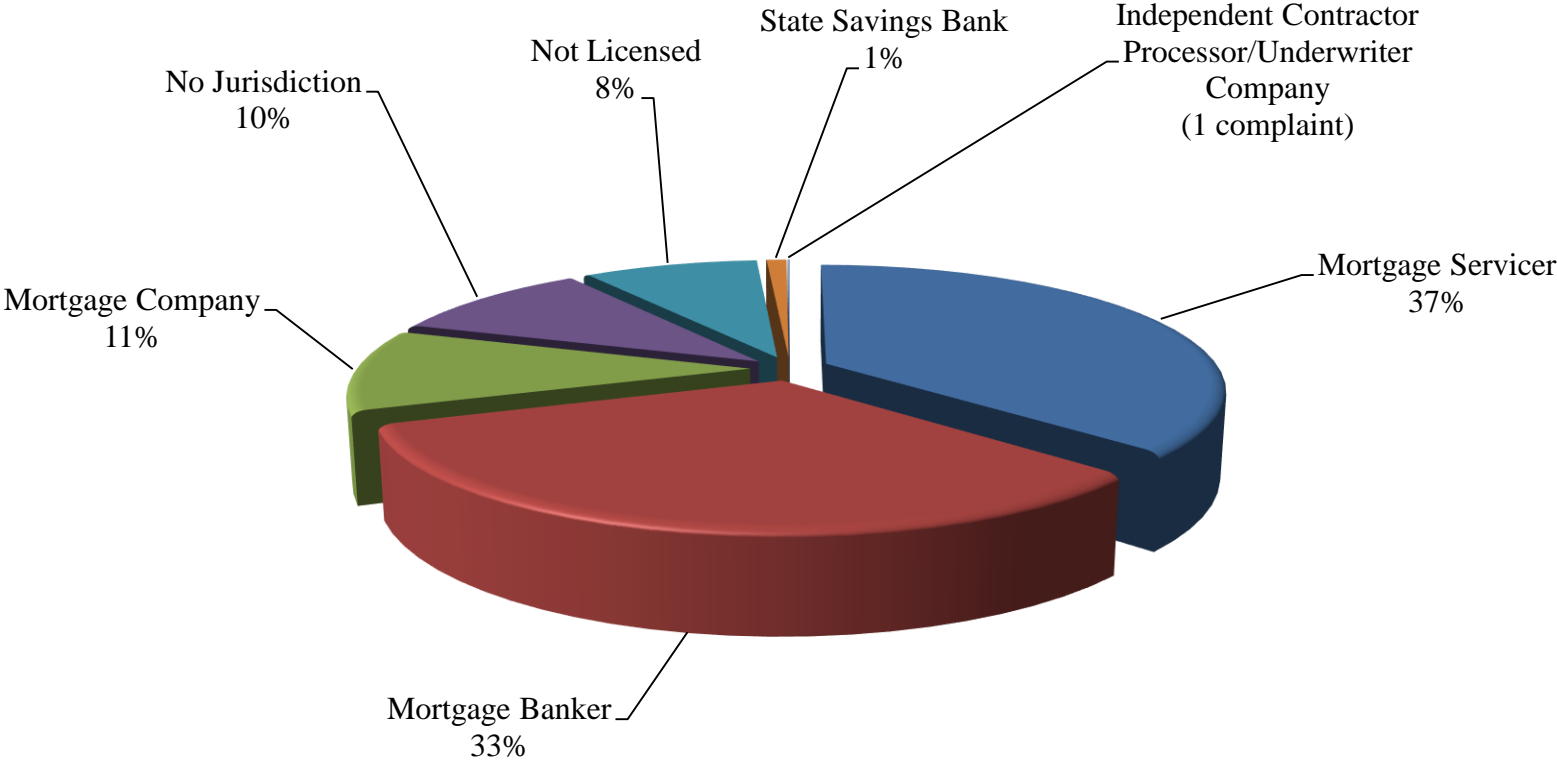


Total Complaints Received in Fiscal Year 2014 = 929

* 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

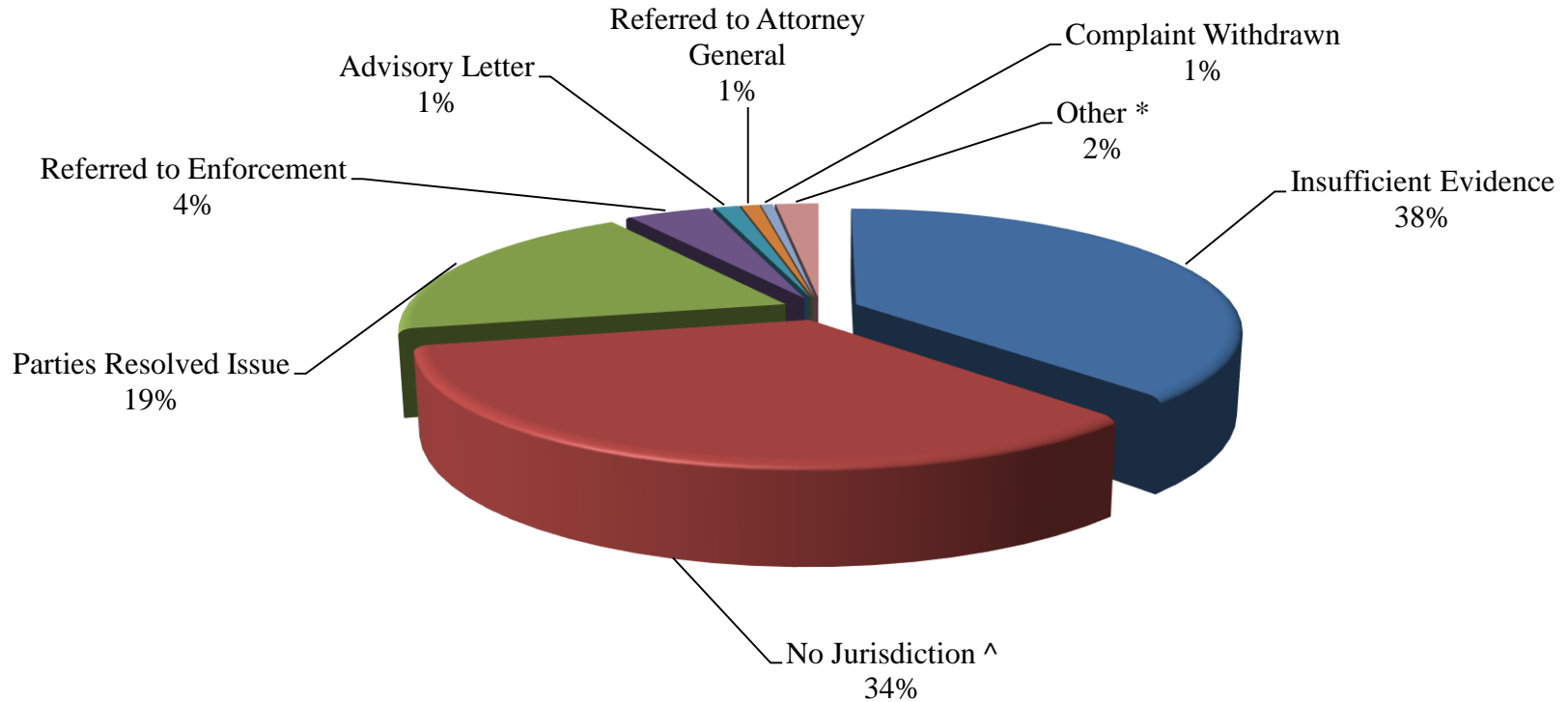
(Complaints Received 09-01-2013 to 08-31-2014)



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)



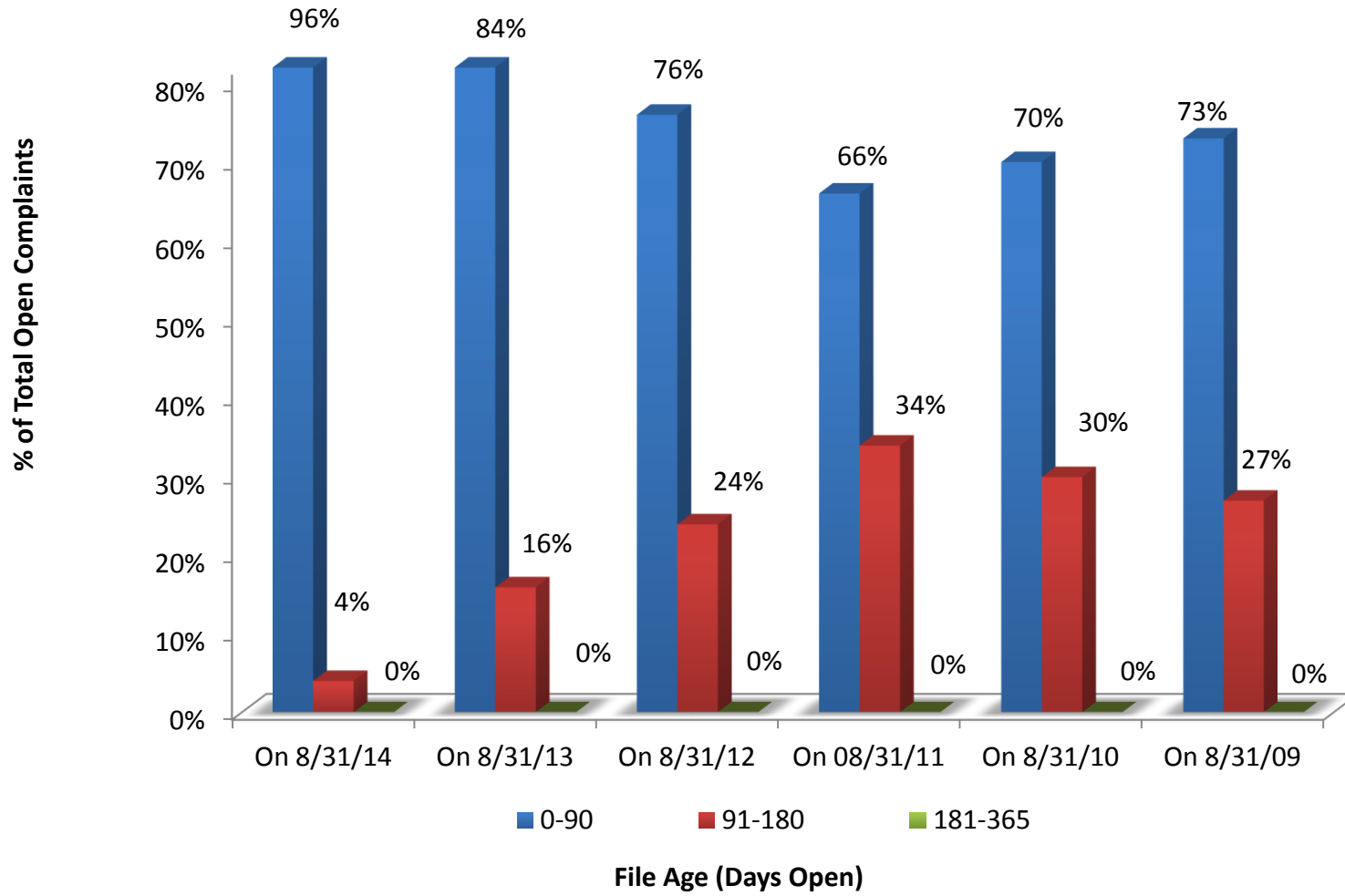
Total complaints resolved in Fiscal Year 2014 = 973

^ 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).

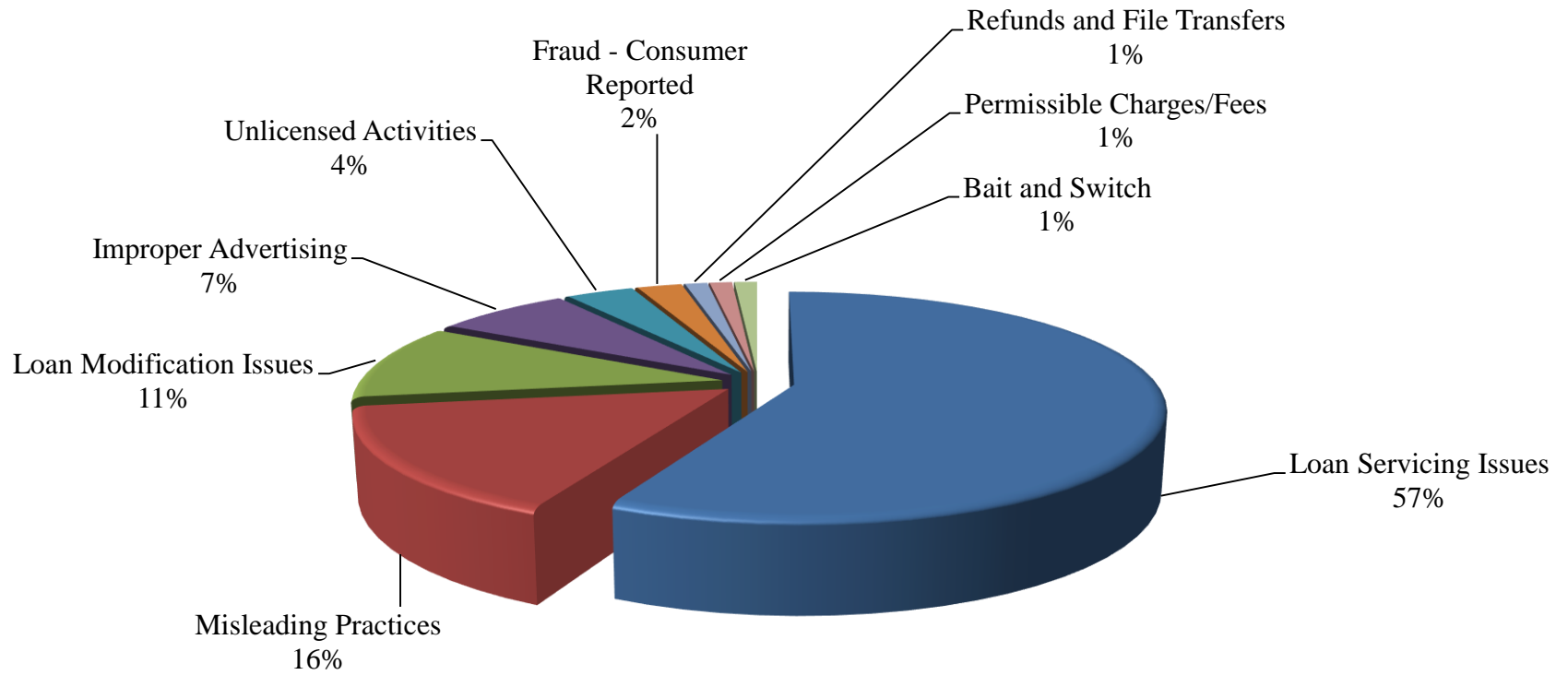
* The "Other" category includes: Consolidated with Another File, Opened in Error, Information Only, No Investigation, and Failure to go Forward

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?