



# TEXAS DEPARTMENT OF SAVINGS & MORTGAGE LENDING

## NOTICE FROM THE COMMISSIONER

### Mortgage Broker Financial Statements (Net Worth License Qualifier)

With the 79<sup>th</sup> Legislative changes to the Mortgage Broker Licensing Act found in House Bill 955, the net worth requirement of \$25,000 to qualify for or renew a broker's license may no longer include "exempt assets" (including but not limited to homestead equity, personal assets, etc.). Many broker applicants are not taking this requirement as seriously as they should. Under oath and severe penalty of law, an applicant is submitting their personal financial information as being "complete" and "accurate". When we receive these statements, we are comparing the liabilities shown as submitted against a current credit report. If there are discrepancies, we contact the applicant for further clarification before we make the final determination regarding the application disposition.

Please be advised that when you submit your personal financial information, it will be the **ONLY** opportunity you have to do so. "Revised" or "amended" financial statements received after the initial submission will not be accepted or permissible. Once prospective applicants or brokers attempting to secure or renew their licenses find that the initial financial statement does not qualify them for a license, they attempt to change or revise the financial statements and re-submit. There is one, and only one, opportunity to submit your financial statement. It is necessary for you and/or your accountant to check the information thoroughly to insure complete financial information is disclosed and is accurate before it is submitted to us. This practice of attempting to revise or change a submitted statement is unacceptable and is clear evidence that potential fraud has been attempted. We will deal with these events as such and report the incident to the proper legal authorities for further criminal investigation, not to mention a certain denial of the application.

Remember, IF you do not qualify for a license or renewal with less than \$25,000 adjusted net worth, you have the option of securing and submitting an acceptable personal surety bond in the amount of \$50,000. There is no other statutory option available to you.

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