

From: listserv@sml.state.tx.us  
To: Mortgage Brokers, Loan Officers, Approved CE Providers, General ListServ  
Subject: Important Notice from TDSML (11/25/2008)

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Re: Non-Renewal of License of Defaulting on Student Loan Repayment Plan

The Texas Guaranteed Student Loan Corporation (TG) was established under Texas Education Code Chapter 57 to administer a guaranteed student loan program and to provide necessary and desirable services related to the loan program. Annually, the Texas Department of Savings and Mortgage Lending is required to submit to TG a list of all active licensees. From the list TG identifies the persons who are in default on loans guaranteed by the corporation and reports those persons to the department.

Section 57.491, Loan Default Ground for Non-renewal of Professional or Occupational License, of the Texas Education Code states that we cannot renew the license of a licensee whose name is on the list provided by the corporation unless the licensee presents to us a certificate issued by TG certifying that the licensee has entered a repayment agreement on the defaulted loan or the licensee is no longer in default on a loan guaranteed by the corporation. The department will notify the licensee of their status and provide an opportunity for a hearing before the agency takes action concerning the non-renewal of a license under this section.

Therefore, effective immediately, the department will no longer renew any mortgage broker or loan officer license where it is determined that the licensee is in default on a student loan administered by the Texas Guaranteed Student Loan Corporation.

Any questions regarding this policy may be directed to our Division of Licensing at 512-475-1350 or via email at [licensing@sml.state.tx.us](mailto:licensing@sml.state.tx.us).

Douglas B. Foster  
Commissioner  
November 24, 2008

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