

ADOPTION OF AMENDMENTS

7 TAC §77.10

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TITLE 7. BANKING AND SECURITIES

PART 4. DEPARTMENT OF SAVINGS AND MORTGAGE LENDING

CHAPTER 77. LOANS, INVESTMENTS, SAVINGS, AND DEPOSITS

SUBCHAPTER A. AUTHORIZED LOANS AND INVESTMENTS

7 TAC §77.10

The Finance Commission of Texas (commission), on behalf of the Department of Savings and Mortgage Lending (department), adopts amendments to existing 7 TAC §77.10, without changes to the text as published in the January 8, 2021 issue of the *Texas Register* (46 TexReg 251). The rule will not be republished.

Explanation of and Justification for the Rule

Existing 7 TAC §77.10 partially implements Finance Code Subtitle C, the Texas Savings Bank Act, and specifically §94.002 of such act. The adopted rule was identified during the department's periodic review of 7 TAC Chapter 77, conducted pursuant to Government Code, §2001.039.

Existing §77.10, concerning Non-Real Estate Commercial Loans, determines the circumstances under which a savings bank a savings bank may engage in commercial real estate loans, and the requirements for such loans. The amended rule clarifies within the text of the rule that the rule pertains only to commercial loans.

Summary of Public Comments

Publication of the commission's proposal for the rule amendments recited a deadline of 30 days to receive public comments, or February 7, 2021. A public hearing in accordance with Government Code §2001.029 was not required. No comments were received.

Statutory Authority

The adopted rule is adopted under the authority of Finance Code §11.302(a), which authorizes the commission to adopt rules applicable to state savings banks. The adopted rule is also adopted under the authority of Finance Code §96.002(a), which authorizes the commission to adopt rules necessary to supervise and regulate Texas-chartered savings banks and to protect public investment in Texas-chartered savings banks. 7 TAC §77.10 is also adopted under the authority of, and to implement Finance Code §94.002.

The adopted rule affects the statutes contained in Finance Code Subtitle C, the Texas State Savings Bank Act.

§77.10. Non-Real Estate Commercial Loans.

A savings bank may lend and invest not more than 40% of its total assets in non-real estate commercial loans for business, corporate, or agricultural purposes. The amount of each letter of credit or other unfunded commitment to make a non-real estate commercial loan shall be included in computing this limitation. Prior to funding a loan under this section, a savings bank shall comply with the requirements of §77.31(a) of this title (relating to Loan Documentation).

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The agency certifies that legal counsel has reviewed the adoption and found it to be within the state agency's legal authority.

Filed with the Office of the Secretary of State on February 23, 2021

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Effective date: March 15, 2021

Proposal publication date: January 8, 2021

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