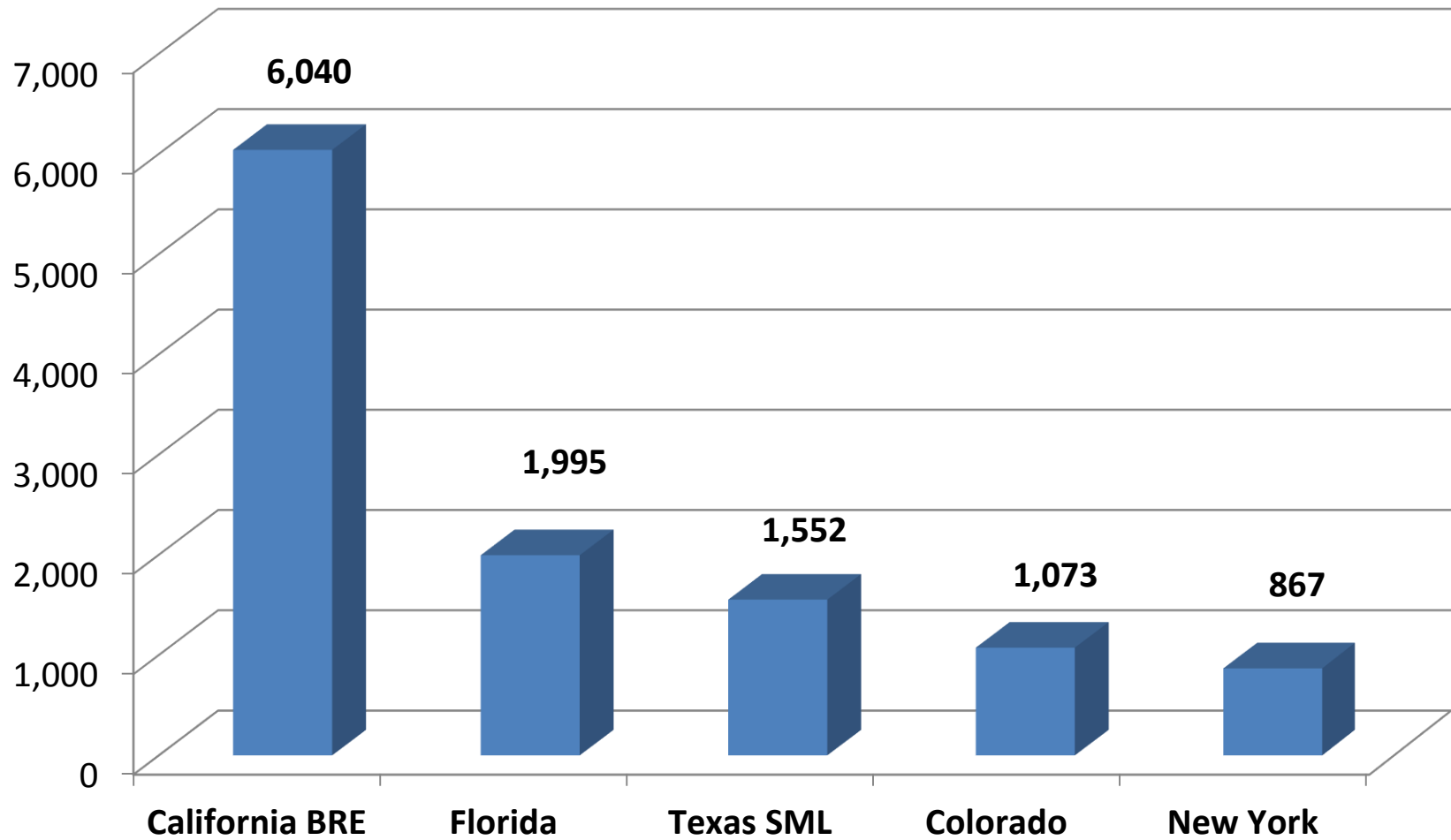


TEXAS DEPARTMENT OF SAVINGS & MORTGAGE LENDING

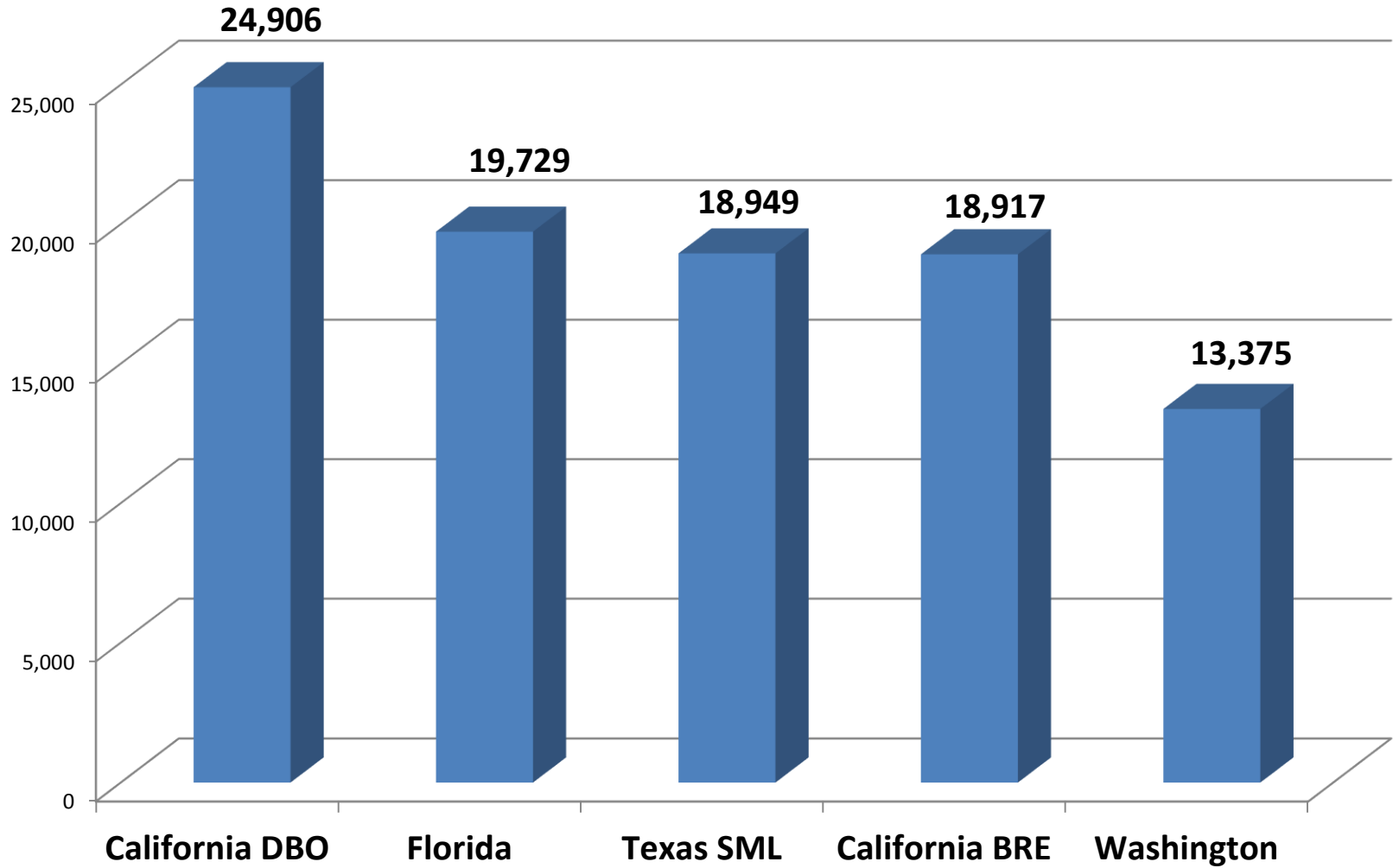
Tony Florence
Director of Mortgage Examination

Licensing Data

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

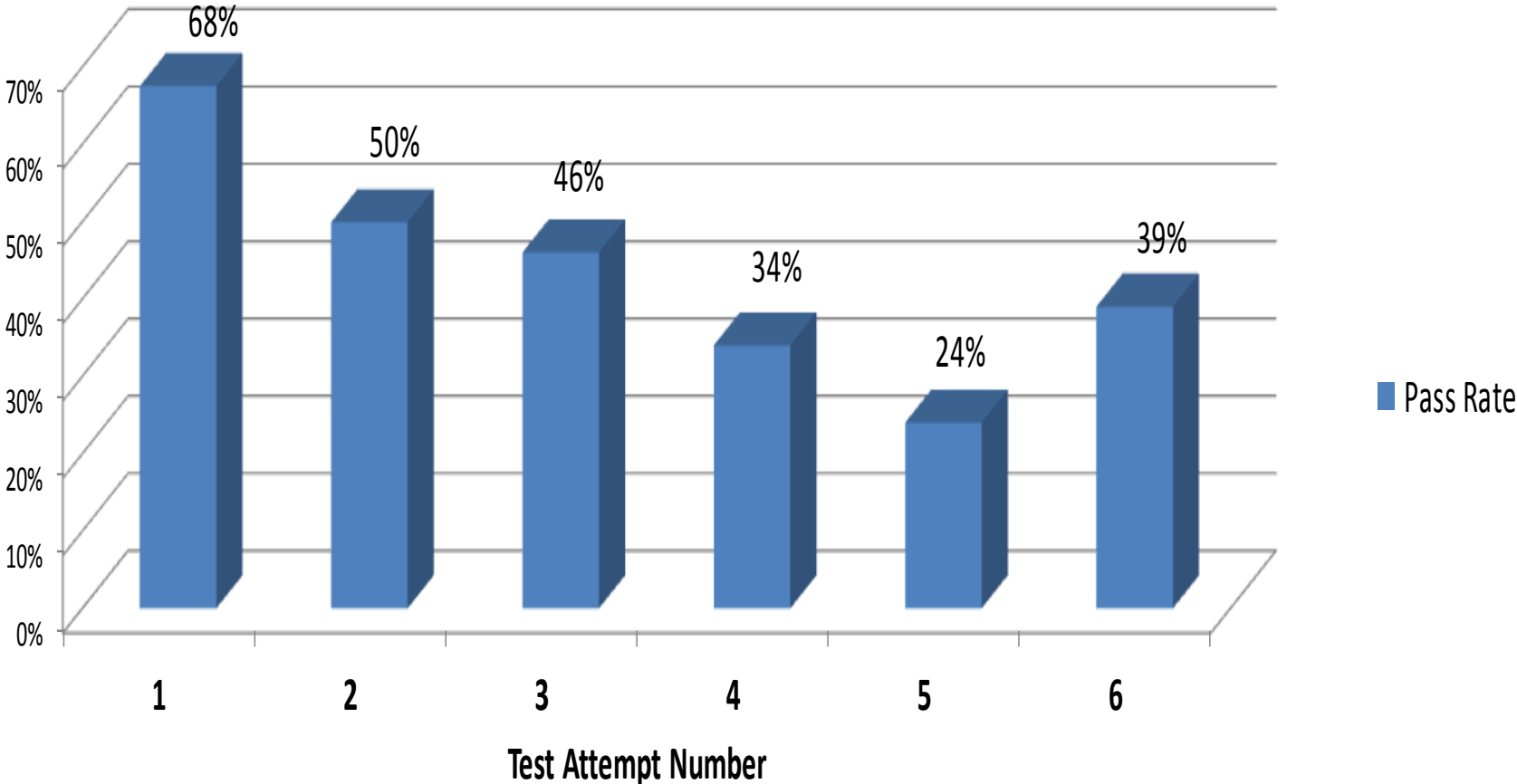


Top 5 States by # of State Licensed Originators Q4 2014



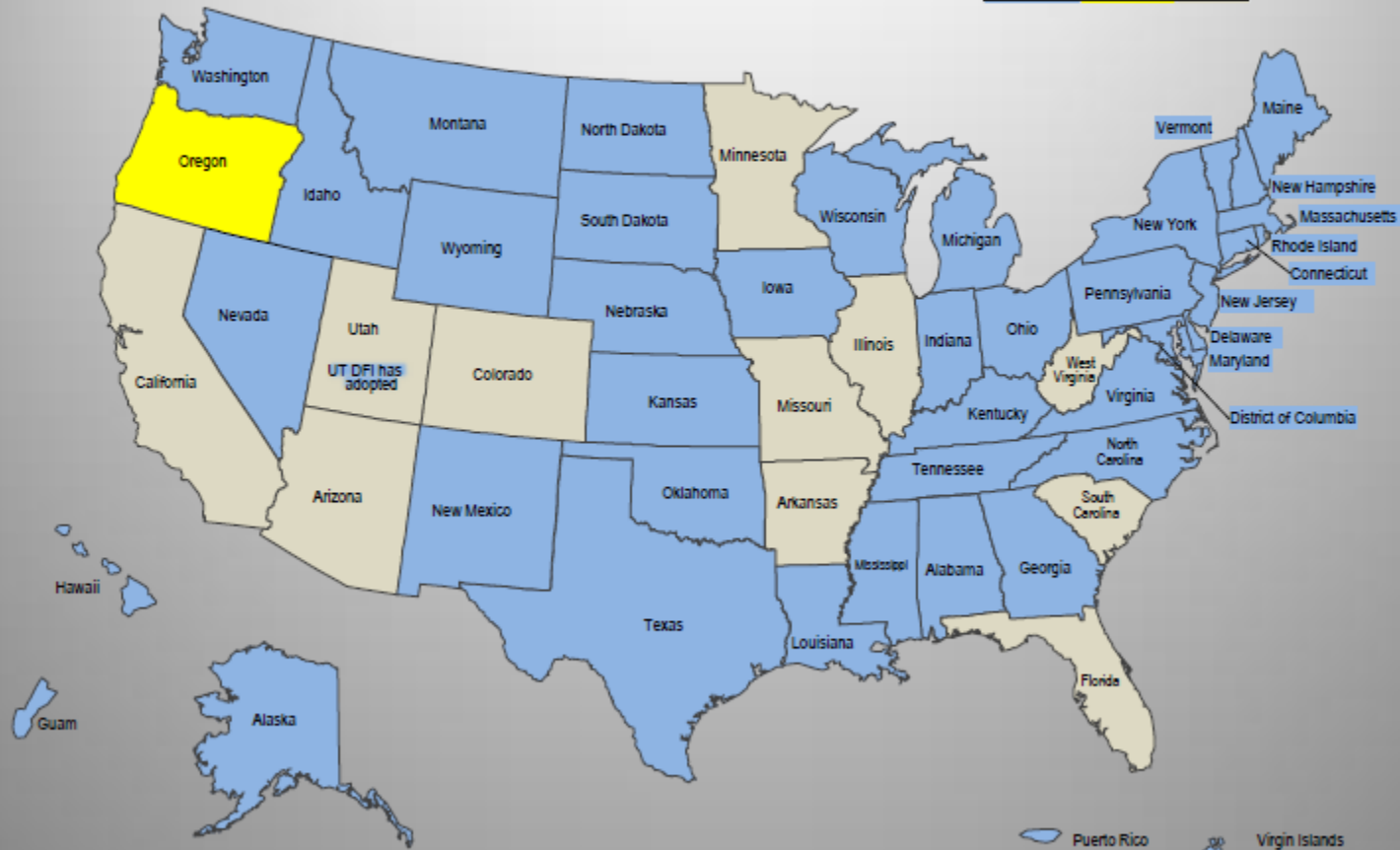
National Test with Uniform State Content

April 1, 2013 to February 28, 2015

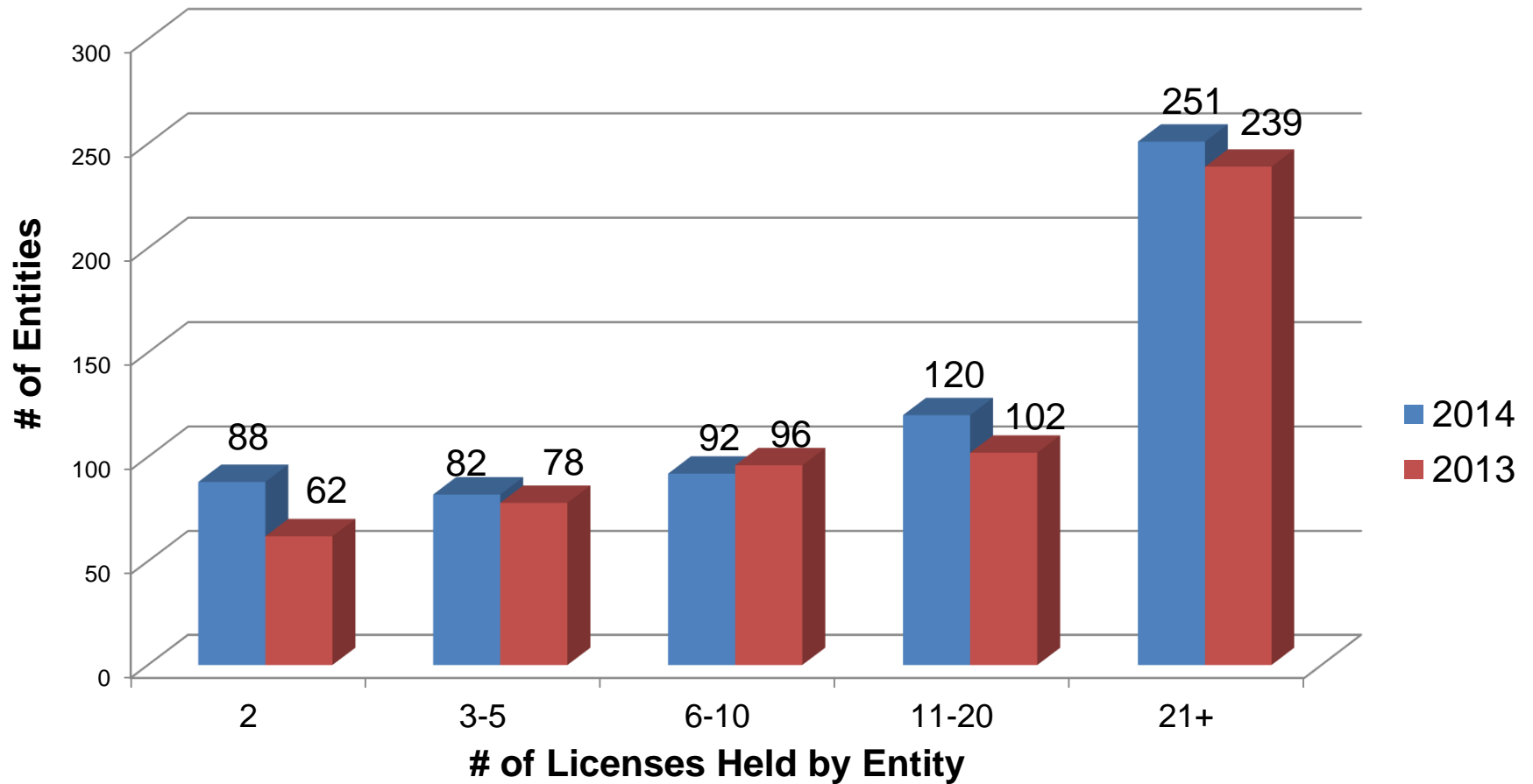


State Adoption of Uniform State Test

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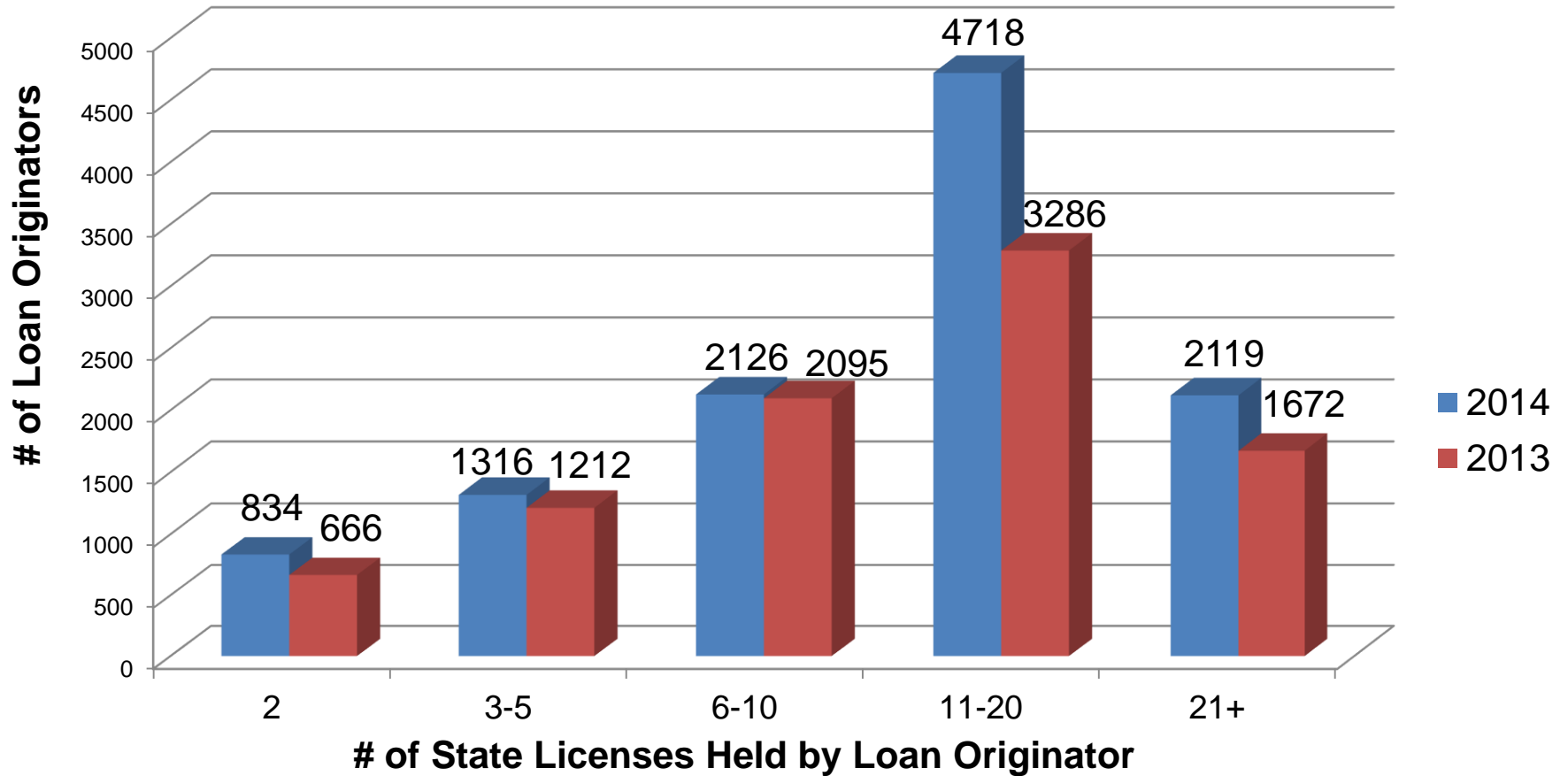


Entity State Licenses Held (Texas Licensed Entities) Q4 2014



* 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

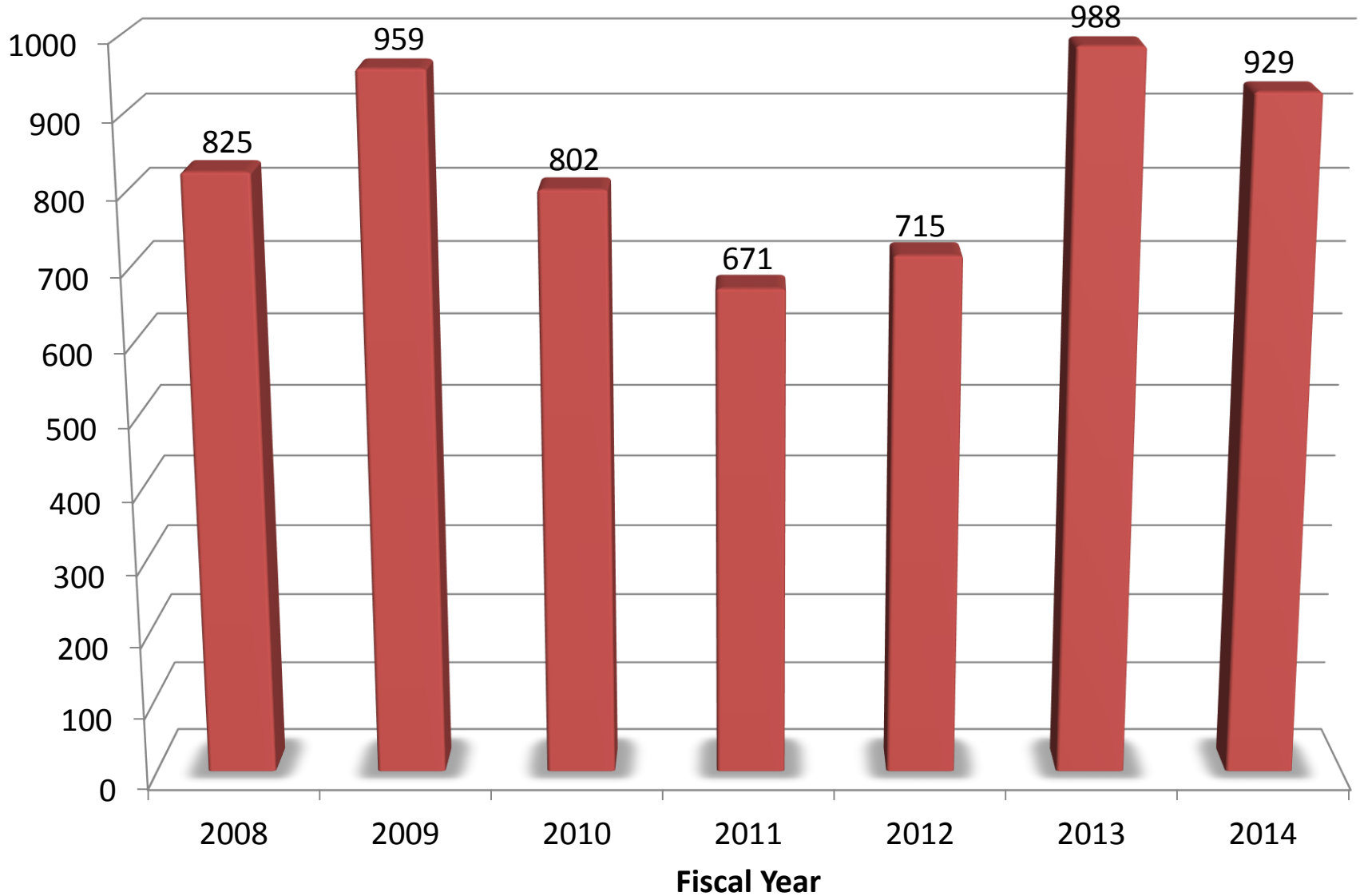
Social Media Best Practices

- **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

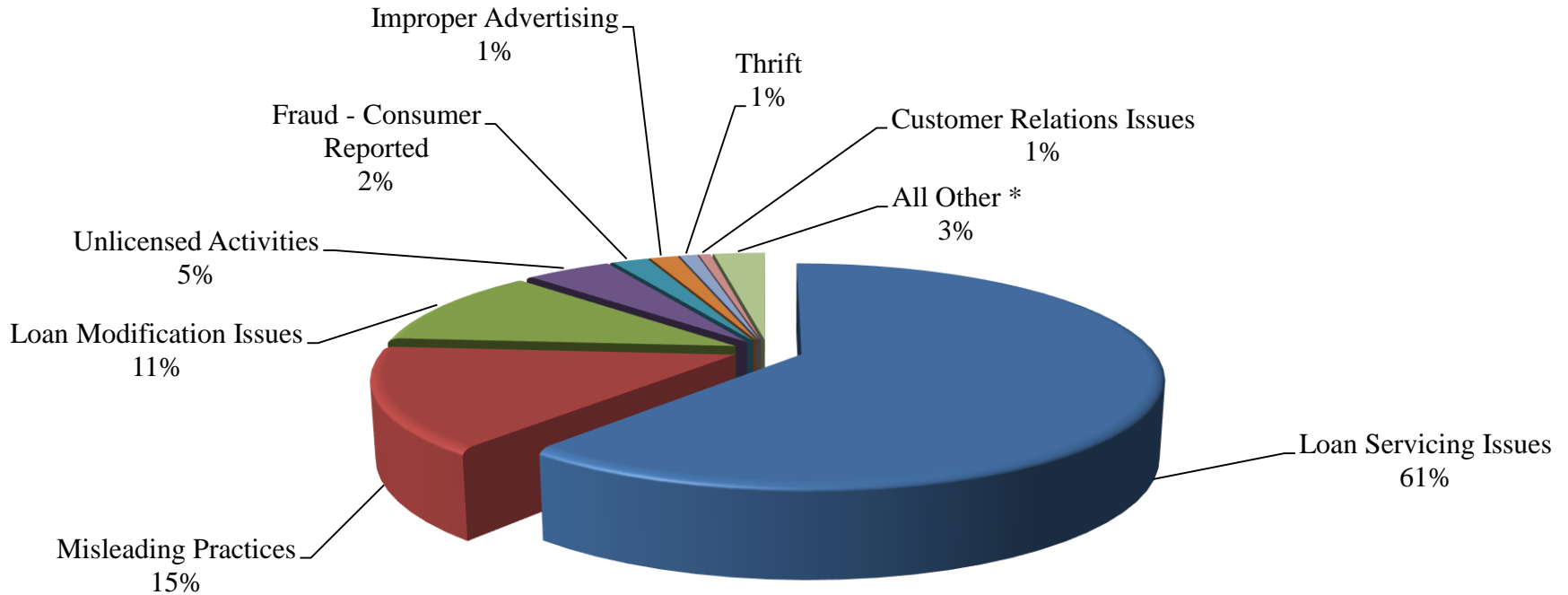
Consumer Complaints

Consumer Complaints Received



Nature of Complaints Received - Fiscal Year 2014

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

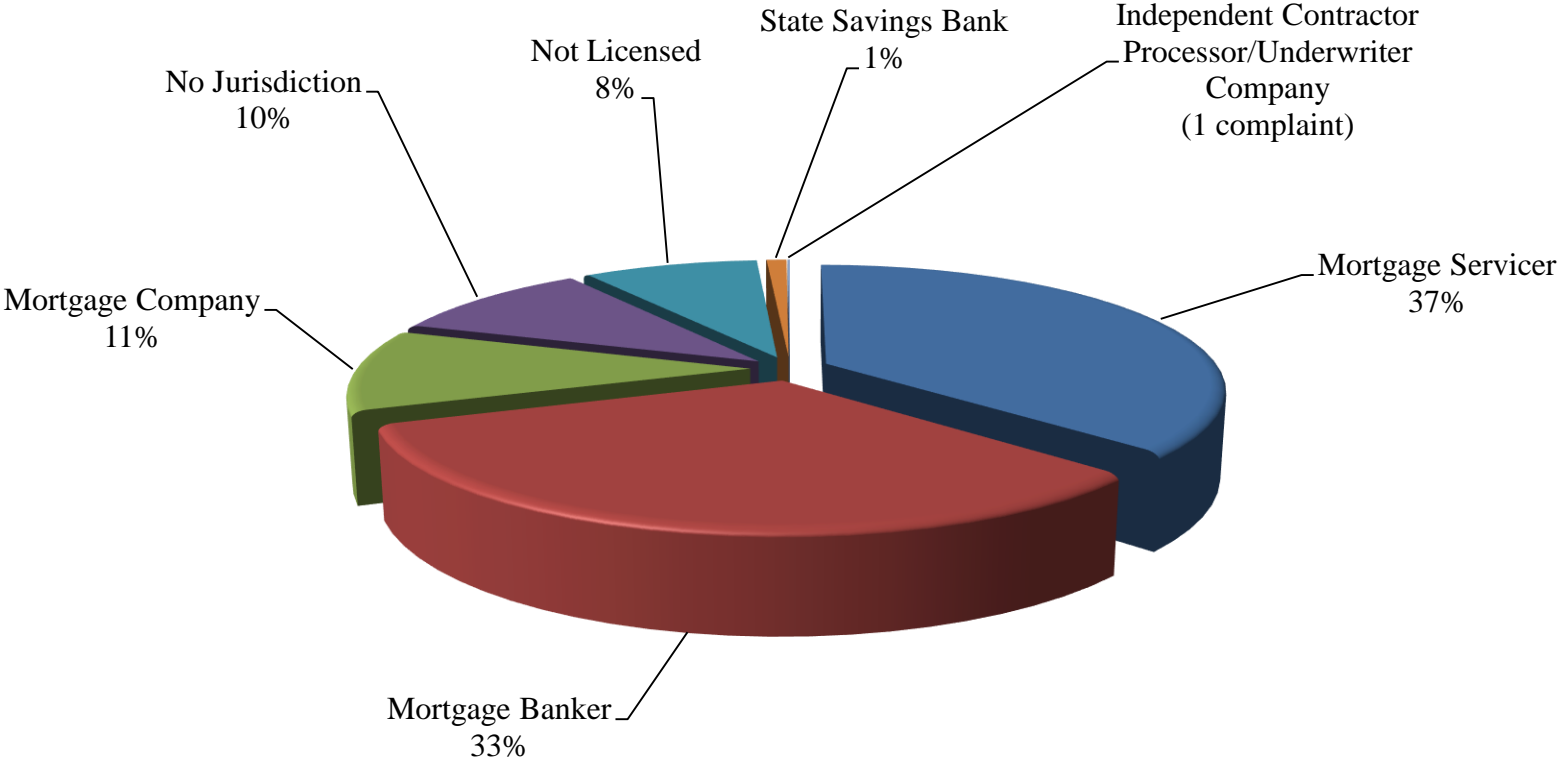


Total Complaints Received in Fiscal Year 2014 = 929

* 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

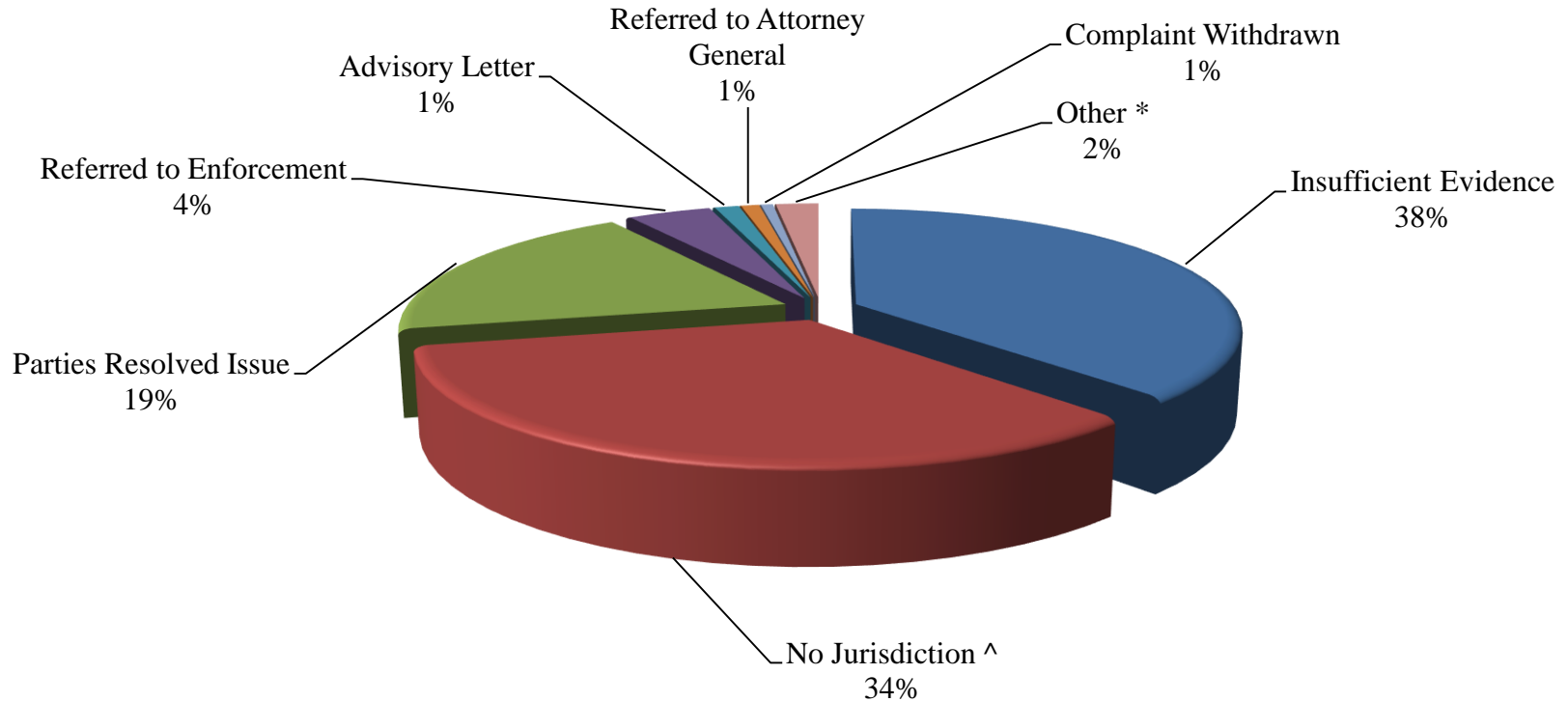
(Complaints Received 09-01-2013 to 08-31-2014)



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)



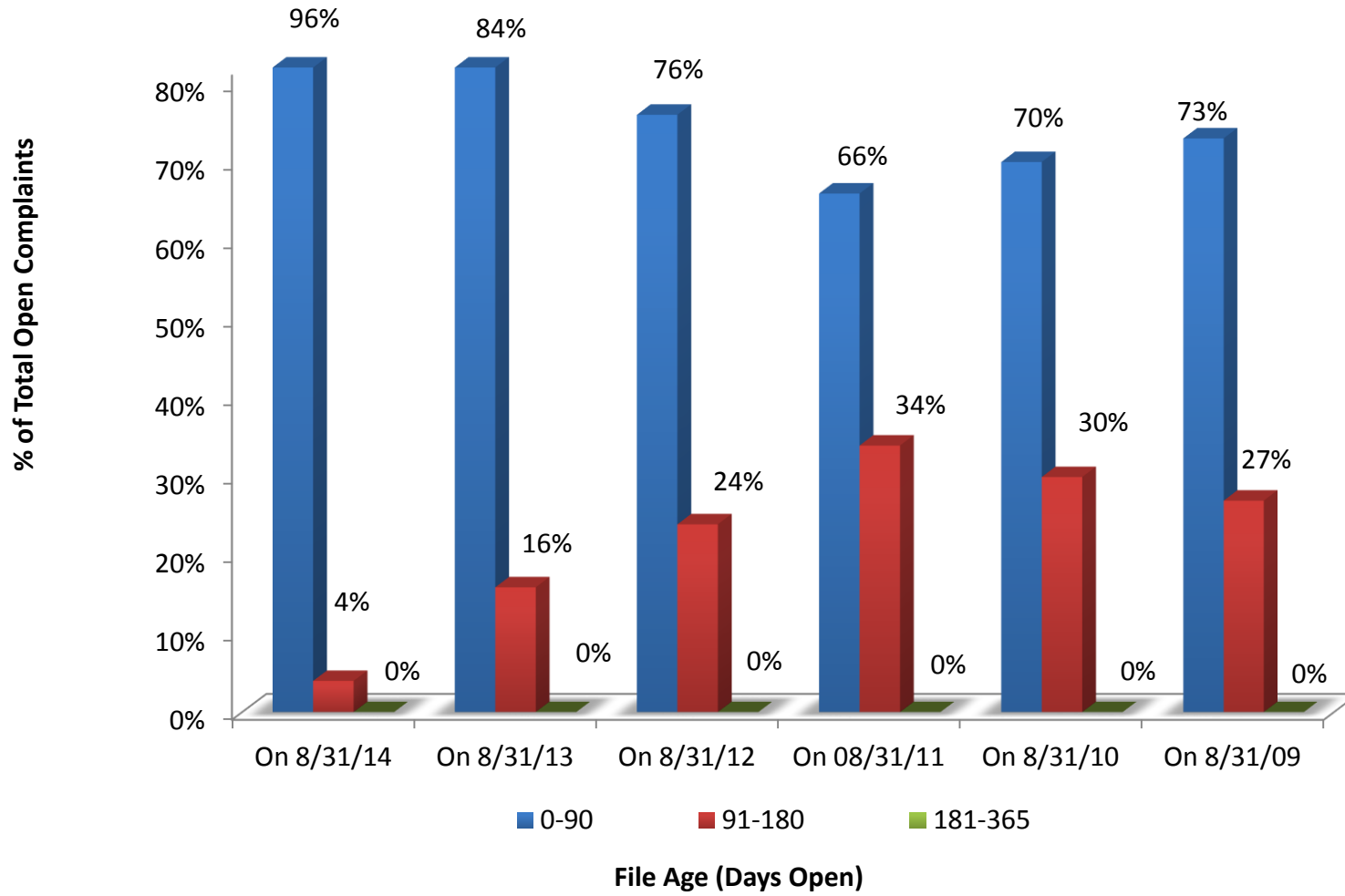
Total complaints resolved in Fiscal Year 2014 = 973

^ 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).

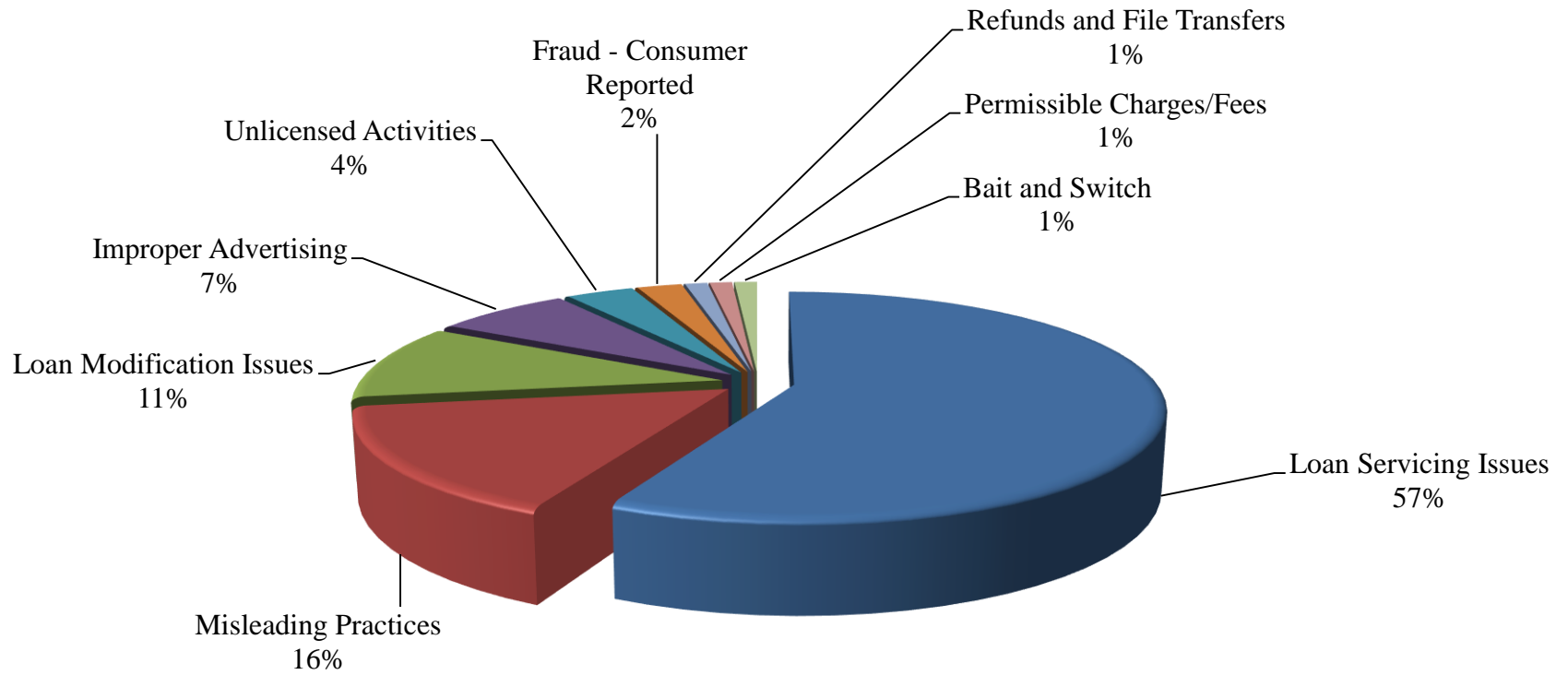
* The "Other" category includes: Consolidated with Another File, Opened in Error, Information Only, No Investigation, and Failure to go Forward

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?