

# Hector Retta

*Commissioner*

Department of Savings and Mortgage Lending



Hector Retta is the Commissioner of the Department of Savings and Mortgage Lending. He joined the Department in February 2022. Mr. Retta previously served as President, Chief Executive Officer, and Vice Chairman of Capital Bank in El Paso, Texas from July 2010 until June 2017. Mr. Retta was Executive Vice President and Regional President of Wells Fargo in Orange County, California from 2009 until 2010, and Senior Vice President and Regional President of Wells Fargo Border Banking from 2005 until 2009. Prior to his association with Wells Fargo, Mr. Retta was a Managing Director, Private Client Services with JPMorgan, and a Senior Vice President with Bank of America. Mr. Retta currently serves on the board of the Paso del Norte Community Foundation and on the board of Economy Wholesale Grocers. He is a native of Dallas, Texas and earned a BBA and an MS in Economics from Baylor University.

# Thrift Industry Day Department Update

*Hector Retta*  
*Commissioner*

*September 28, 2023*

# Commissioner Comments

- FY 2023 Key Points
- Agency Priorities and Initiatives FY 2024
- FY 2024 Budget
- Strategic Plan Fiscal Years 2025-2027

# Agency Mission

The mission of the Department of Savings and Mortgage Lending is to supervise and regulate the residential mortgage lending and state savings industries to protect Texans, provide a healthy residential mortgage lending environment, and maintain safe and sound savings banks and savings associations for the purpose of increasing the economic prosperity of the state.

# FY 2023 Key Points

- Federal Open Markets Committee (FOMC) raised the Federal Funds target range 300 bps over 12 months from 2.25% – 2.5% to 5.25% – 5.5%
- Impact and implication of bank failures
- Deposits at US banks declined 4.8% YOY as of June 30, 2023
- Average 30-year fixed mortgage interest rate was 7.78% on September 27, 2023

# FY2024 Priorities and Initiatives

- Regulatory Activities
  - Monitor risk profiles of savings banks
  - Monitor emerging issues in the financial services industry
  - Conduct compliance examinations of mortgage companies and residential mortgage loan originators (RMLOs)
  - Adopt and implement use of the Conference of State Bank Supervisors (CSBS) State Examination System (SES)
  - Sustain prompt resolution times on consumer complaints
- Legislative – monitor activities of the Texas Legislature during the interim

# FY2024 Priorities and Initiatives

- Agency Operations
  - Recruit, train and cross train employees for professional development
  - Review internal controls and processes to improve efficiency and effectiveness
  - Ensure information technology is current to maintain effectiveness and safeguard the integrity of data (cybersecurity)
- Outreach and Communications
- Mortgage Grant Fund 2024-2025 grant cycle

# FY2024 Budget

- 15.1% increase in revenues and 8.4% increase in expenses YOY
  - Thrift assessments at 60% of approved rates
  - Licensing revenues
- Staff count is budgeted at 74 representing an increase of 4 FTEs
- Personnel Costs up 8.7% YOY
- Information Resources Expenses up 30% YOY



# Strategic Plan 2025 -- 2029

- Strategic Plan 2025-2029 to be updated in 2024
  - Provides an understanding of the direction of the Department
  - References core values
  - Defines success measurement
- Goals and Action Items
  - Effective regulation of the Thrift Industry
  - Effective regulation of the Mortgage Industry
  - Effective and efficient Consumer Responsiveness
  - Effective Agency Administration
- Statewide Objectives
  - Accountable to tax and fee payers
  - Operate efficiently by maximizing resources
  - Specific measures of success in achieving performance
  - Excellent customer service
  - Transparency

# Questions?

## Contact Information:

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*Commissioner*

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