

Mortgage Industry Seminar Agency Update

Hector Retta
Commissioner

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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%
- Average 30-year fixed mortgage interest rate was 7.76% on 2 November 2023
- Mortgage industry deceleration – employment, originations, dollar volume
- Implications for regulatory authorities

FY2024 Priorities and Initiatives

- Regulatory Activities
 - 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 session

FY2024 Priorities and Initiatives

- Agency Operations
 - Leverage Human Resources – recruiting, professional skill development, cross-training staff
 - 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

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

Mortgage Grant Fund

- Established by the 87th Texas Legislature by enactment of Texas Finance Code Chapter 156, and Texas Administrative Code, Section 151.
- Funded primarily by excess amounts transferred from the Recovery Fund and designed to provide funding for two purposes:
 - Fund mortgage financial education to consumers
 - Pay claims made against the fund for fraud committed by an unlicensed individual who acted as a residential mortgage loan originator

Mortgage Grant Fund - Grantees

Organization	Metropolitan Statistical Area (MSA)	Amount Awarded
Brazos Valley Affordable Housing	College Station-Bryan, TX	\$ 80,000.00
Credit Coalition	Houston-The Woodlands-Sugar Land, TX	\$ 50,000.00
Foundation Communities	Austin-Round Rock-Georgetown, TX	\$ 48,690.00
Galilee Community Development	San Angelo, TX	\$ 51,903.00
Grassroots Community Development	Waco, TX	\$ 40,000.00
Habitat for Humanity, Abilene, Inc.	Abilene, TX	\$ 71,000.00
Habitat for Humanity Camp County	Longview, TX	\$ 50,000.00
Houston Habitat for Humanity	Houston-TheWoodlands-Sugar Land, TX	\$ 66,900.00
Habitat for Humanity Jefferson County	Beaumont-Port Arthur, TX	\$ 33,585.00
Habitat for Humanity of San Antonio* 1 Year Grant	San Antonio-New Braunfels, TX	\$ 75,000.00
Fort Worth Area Habitat for Humanity	Dallas-Fort Worth-Arlington, TX	\$ 78,200.00
	Total Awarded	\$ 645,278.00

Questions?

Contact Information:

Hector Retta
Commissioner

512.475.1038

hretta@sml.texas.gov