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Texas Department of Savings and Mortgage Lending (TX-SML) Pre-licensure Education (PE) Notice

Purpose

The purpose of this notice is to inform NMLS-approved course providers of the required topics to be covered in the 3-hour state specific pre-licensure education (PE) requirement which must be met as a condition for obtaining a mortgage loan originator (MLO) license from the Texas Department of Savings and Mortgage Lending (TX-SML).

TX-SML's PE requirements are as follows:

- 3 hours of Federal Law;
- 3 hours of Ethics;
- 2 hours lending standards for Non-Traditional mortgage products;
- 12 hours of General Electives;
- 3 hours of Texas state-specific defined electives

Total PE: 23 hours

TX-SML has established the following requirements for the 3 hours of state-specific PE:

Required Topics List:

- In depth coverage of the requirements for Texas Home Equity Loans and Texas Reverse Mortgages.
- In depth coverage of the requirements when Judicial v. Non-Judicial Foreclosures are required.
- In depth coverage of the licensing requirements for mortgage loan originators and independent loan processors or underwriters.
- In depth coverage of TX-SML's operations, compliance, and enforcement standards and requirements as detailed in its rules. [Such content shall include Texas-specific advertising requirements, approval letters (forms A&B) requirements, enforcement or disciplinary actions, administrative hearings, and recovery fund claims.]
- Overview of TX-SML's examination procedures as detailed on its website at <https://www.sml.texas.gov/mortgage-origination/examination/> [Such content shall include the following: the required books and records, required fields on the mortgage transaction log, covered areas of consumer protection, and the required disclosures].

References:

Texas Home Equity	Article XVI, Section 50(a)(6) and (f) of the Texas Constitution
Texas Reverse Mortgage	Article XVI, Section 50(k) of the Texas Constitution
Advertising	Texas Administrative Code Title 7 Section 80.203 & 81.203 Texas Finance Code Section 180.151
Loan Status Forms	Texas Administrative Code Title 7 Section 80.201 & 81.201
Required Disclosures	Texas Administrative Code Title 7 Section 80.200 & 81.200
Licensing – General	Texas Finance Code Section 156.201, 157.012 & Section 180.051
License reinstatement after expiration	Texas Administrative Code, Title 7 Section 80.100 & 81.100
Enforcement	Texas Finance Code Section 156.2081 & 157.016
Administrative Hearings	Texas Administrative Code Title 7 Section 80.301 & 81.301
Recovery Fund	Texas Administrative Code Title 7 Section 80.302 & 81.302
Books & Records	Texas Finance Code Chapter 156.505-506, 157.0201, 157.0241
Consumer Complaints	Texas Administrative Code Title 7 Section 80.204 & 81.204
Remote Work Requirements	Texas Administrative Code Title 7 Section 80.301 & 81.301 Texas Administrative Code Title 7 Section 80.206 & 81.206

NMLS Approving Authority

In accordance with the SAFE Act, NMLS is the approval authority for courses that are intended to satisfy the PE & CE requirement for an MLO to be licensed by a state-agency. Courses intending to satisfy these requirements must also meet NMLS course approval standards as detailed in the *Functional Specification for All NMLS Approved Courses*.

Legislative Updates

Course providers are responsible for keeping abreast of changes made to the applicable statutes, regulations and rules.