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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 Texas Department of Savings and Mortgage Lending.

Texas' 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 TX Home Equity Loans, TX Reverse Mortgage, and Judicial v. Non-Judicial Foreclosures
- In depth coverage of TX Saving and Mortgage Lending Department operations and administration as detailed in rules. (Such content shall include: Texas-specific advertising requirements, approval letters (forms A&B), requirements for filing, enforcement, administrative hearings, recovery fund claims.)
- Overview of TX Savings and Mortgage Lending Department examination procedures as detailed on their website at <http://www.sml.texas.gov/> (Such content shall include: minimum contents of a loan file, required fields on mortgage transaction logs, areas of consumer protection covered, required disclosures).

References:

Texas Home Equity Advertising	Texas Constitution XVI 50(a) Texas Administrative Code Title 7 Chapter 80.203 & 81.203 TX Finance Code Chapter 180.151
Loan Status Forms	Texas Administrative Code Title 7 Chapter 80.201 & 81.201
Required Disclosures	Texas Administrative Code Title 7 Chapter 80.200 & 81.200
Licensing – General	TX Finance Code Chapter 156.201 & 157.012 Texas Administrative Code Title 7 Chapter 80.100 & 81.100
License reinstatement after expiration	TX Finance Code Chapter 156.2081 & 157.016
Enforcement	Texas Administrative Code Title 7 Chapter 80.301 & 81.301

Administrative Hearings
Recovery Fund
Books & Records
Consumer Complaints

Texas Administrative Code Title 7 Chapter 80.302 & 81.302
TX Finance Code Chapter 156.505-506, 157.0201, 157.0241
Texas Administrative Code Title 7 Chapter 80.204 & 81.204
Texas Administrative Code Title 7 Chapter 80.301 & 81.301

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.