

April 30, 2015 (Revised)

Notice Regarding State-Specific Education Requirements for Texas Department of Savings and Mortgage Lending (TX-SML)

Purpose

The purpose of this notice is to inform NMLS approved course providers of the pre-licensure education (PE) requirements that must be met as a condition for licensure with the Texas Department of Savings and Mortgage Lending (TX-SML) that began October 1, 2013.

Background and Reason for the Notice

The Texas Department of Savings and Mortgage Lending (TX-SML) informed NMLS that it adopted the Uniform State Test (UST) on October 1, 2013. As part of the adoption of the UST, individuals seeking licensure with TX-SML were no longer required to take the Texas State Component of the MLO SAFE Test. However, individuals seeking licensure with TX-SML on or after October 1, 2013 are required to complete three (3) hours of TX-SML state-specific PE in addition to the 20 hours of pre-licensure (PE) education that is required by the SAFE Act.

TX-SML reviewed this notice and updated the reference list in April 2015.

TX-SML State-Specific Education Requirements and Reference List

TX-SML pre-licensure education requirements will be as follows:

- 3 hours of Federal Law;
- 3 hours of Ethics (must include fraud, consumer protection, and fair lending issues);
- 2 hours Lending Standards for Non-Traditional Mortgage Products;
- 12 hours of Electives
- 3 hours of TX-SML defined education

Total PE: 23 hours

TX-SML has established the following the course content standards as a condition for NMLS course approval:

- **1.5 hours** covering TX Home Equity Loans, TX Reverse Mortgage, and Judicial v. Non-Judicial Foreclosures
- **1 hour** covering 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.)

- **0.5 hours** covering 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).

To assist in course development, the following reference list applies:

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	Texas Administrative Code Title 7 Chapter 80.302 & 81.302
Recovery Fund	TX Finance Code Chapter 156.505-506, 157.0201, 157.0241
Books & Records	Texas Administrative Code Title 7 Chapter 80.204 & 81.204
Consumer Complaints	Texas Administrative Code Title 7 Chapter 80.301 & 81.301

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