

# TEXAS DEPARTMENT OF SAVINGS AND MORTGAGE LENDING COMPACT WITH TEXANS

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*MISSION – The Department of Savings and Mortgage Lending’s mission is to ensure the safety and soundness of Texas chartered savings institutions and provide a stable, responsible and compliant system of mortgage brokers, mortgage bankers and savings institutions to support the residential housing and real estate finance needs of the Texas economy while protecting consumer interests.*

## **Services Provided**

To accomplish its mission, the Department:

- Supports Residential Housing, Consumer, and Small Business Finance by Chartering and Approving Applications for State-Chartered Savings Institutions to Conduct Business;
- Ensures Stability of State Thrift Charters by Examining Savings Institutions for Safe and Sound Operations and Compliance with Applicable Statutes and Rules;
- Protects Home Buyers by Licensing Mortgage Brokers and Loan Officers and Registering Mortgage Bankers who make First Lien Residential Mortgages in Texas;
- Responds to Inquiries and Investigates Consumer Complaints Related To Savings Institutions, Licensed Mortgage Brokers and Registered Mortgage Banking Companies;
- Protects Customers of Regulated Entities by Taking Appropriate Administrative or Enforcement Actions against Charters, Licensees or Registrants to Ensure Compliance or Corrective Actions; and,
- Provides Information and Responds to Inquiries and Complaints by Telephone, in Writing and Through the Department's Website.

## **Customer Service**

The Department's goal is to provide exceptional service to all of its constituents: chartered financial institutions, licensees and registrants; related professions and service providers (e.g., title companies, attorneys, accountants, etc.); depositors, creditors and borrowers; consumers; and members and agencies of state and federal government.

To achieve this goal the Department's objectives are to:

- Provide fair, professional and quality regulation of all entities and individuals under the Department's jurisdiction;
- Undertake appropriate supervisory and enforcement action upon discovery of unsafe and unsound practices or other improprieties;

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### **Customer Service (continued)**

- Support prompt and impartial administrative hearings for due process on application denials, protests and enforcement actions;
- Encourage open, frank dialog between the Department and all institutions, licensees and registrants;
- Strive for clarity and simplicity in regulation and reduction of regulatory burden wherever possible;
- Provide timely and meaningful responses to all written correspondence, responding to routine written requests within five business days;
- Maintain accessibility of Department officers and staff to all telephone callers and visitors to the office, returning telephone calls as soon as possible, always at least within one day;
- Communicate consumer education, regulatory policies and other information through quarterly newsletters and/or website notices to the industry, industry meetings with the commissioner and staff, and news releases; and,
- Provide access to statutes, regulations, charter and license/registration applications, licensee/registrant status, and other meaningful information through electronic media [www.sml.state.tx.us](http://www.sml.state.tx.us).

### **Application and Licensing Process**

Individuals who originate or broker first lien residential mortgage loans in Texas, unless specifically exempt by statute, must be licensed by the Department as a mortgage broker or loan officer. Beginning September 1, 2003 and thereafter, applicants for a mortgage broker or loan officer license must take a pre-licensing test to assure that they have the requisite knowledge to protect consumers. When an individual applies for a license and the commissioner subsequently finds that the application is complete, the applicant has met the requisite qualification of the Mortgage Broker License Act of experience or education, the individual has passed the pre-licensing test, and the Department has obtained a satisfactory criminal background check on the applicant, that individual will be provided an appropriate license within 10 days.

Applications, forms and instructions may be obtained from the Department's Mortgage Broker Licensing section or downloaded from its website at <http://www.sml.state.tx.us>. A searchable data base is also available on this website permitting lenders, investors, the public and others to determine the status of a licensee, or to obtain the names of all licensees in their city, or who are associated with a particular mortgage broker entity.

Applications for renewal of mortgage broker and loan officer licenses and registration of mortgage banking companies can be submitted and paid for online.

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Individuals or entities desiring to charter a state savings bank or savings and loan association may obtain the requisite applications from the Department's Corporate Activities section or from its website. Applications for additional offices, establishment of subsidiaries, mergers, acquisitions, changes of control and other activities requiring regulatory approval are also available from these sources.

The Department's website also contains links to applicable statutes and regulations for both mortgage brokers and savings institutions, along with other relevant information.

## **Complaint Process**

The Department welcomes constituent suggestions and comments regarding the operations of the Department and entities and individuals it regulates. Suggestions and comments regarding staff, or Departmental policies and procedures are welcome at all staff levels and may be made verbally or in writing. Complaints regarding entities or individuals regulated must be in writing to assure a full understanding of the facts of the complaint.

All written complaints are reviewed by the Commissioner and other senior staff and assigned to an appropriate member of our staff for investigation. Written complaints regarding savings institutions, mortgage brokers/loan officers, and mortgage banking companies are forwarded to the regulated entity or individual for response with copies of the correspondence provided to the complainant. Depending upon the nature of the complaint and its complexity, the licensee may be provided up to 30 days to respond to the Department. It is our objective to complete evaluation of the facts and respond to all written complaints received, within 10 days of receiving all of the information necessary for a full and complete evaluation of the complaint.

## **Agency Contacts**

Complaints, open records requests, general questions and comments may be directed to the Department in writing, by telephone or fax, or through e-mail at the address and phone numbers below.

Douglas B. Foster, Commissioner  
Jane Black, General Counsel  
Sandra Weller, Director of Licensing

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Customer Service Representative:  
Michelle Harrington, Executive Assistant to the Commissioner

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