

By: Zaffirini

S.B. No. 74

A BILL TO BE ENTITLED

1 AN ACT
2 relating to an exemption from residential mortgage loan originator
3 licensing requirements.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 157.0121(b), Finance Code, is amended to
6 read as follows:

7 (b) The following individuals are exempt from this chapter:

8 (1) a registered mortgage loan originator when acting
9 for:

10 (A) a depository institution;

11 (B) a subsidiary of a depository institution that
12 is:

13 (i) owned and controlled by the depository
14 institution; and

15 (ii) regulated by a federal banking agency;
16 or

17 (C) an institution regulated by the Farm Credit
18 Administration;

19 (2) an individual who offers or negotiates the terms
20 of a residential mortgage loan with or on behalf of an immediate
21 family member of the individual;

22 (3) a licensed attorney who negotiates the terms of a
23 residential mortgage loan on behalf of a client as an ancillary
24 matter to the attorney's representation of the client, unless the

1 attorney:

2 (A) takes a residential mortgage loan
3 application; and

4 (B) offers or negotiates the terms of a
5 residential mortgage loan;

6 (4) an individual who offers or negotiates terms of a
7 residential mortgage loan secured by a dwelling that serves as the
8 individual's residence;

9 (5) any owner of residential real estate who in any
10 12-consecutive-month period makes no more than three [~~five~~]
11 residential mortgage loans to purchasers of the property for all or
12 part of the purchase price of the residential real estate against
13 which the mortgage is secured; and

14 (6) an individual who is exempt as provided by Section
15 [180.003\(b\)](#).

16 SECTION 2. This Act takes effect September 1, 2025.