

AN ACT

relating to an examination requirement for mortgage broker and loan officer license applicants.

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

SECTION 1. Subsections (a) and (c), Section 156.204, Finance Code, are amended to read as follows:

(a) To be eligible to be licensed as a mortgage broker a person must:

(1) be an individual who is at least 18 years of age;

(2) be a citizen of the United States or a lawfully admitted alien;

(3) maintain a physical office in this state and designate that office in the application;

(4) provide the commissioner with satisfactory evidence that the applicant satisfies one of the following:

(A) the person has received a bachelor's degree in an area relating to finance, banking, or business administration from an accredited college or university and has 18 months of experience in the mortgage or lending field as evidenced by documentary proof of full-time employment as a mortgage broker or loan officer with a mortgage broker or a person exempt under Section 156.202;

(B) the person is licensed in this state as:

(i) an active real estate broker under The

1 Real Estate License Act (Article 6573a, Vernon's Texas Civil  
2 Statutes);

3 (ii) an active attorney; or

4 (iii) a local recording agent or insurance  
5 solicitor or agent for a legal reserve life insurance company under  
6 Chapter 21, Insurance Code, or holds an equivalent license under  
7 Chapter 21, Insurance Code; or

8 (C) the person has three years of experience in  
9 the mortgage lending field as evidenced by documentary proof of  
10 full-time employment as a loan officer with a mortgage broker or a  
11 person exempt under Section 156.202;

12 (5) provide the commissioner with satisfactory  
13 ~~[demonstrate]~~ evidence of:

14 (A) having passed an examination, offered by a  
15 testing service or company approved by the finance commission, that  
16 demonstrates knowledge of:

17 (i) the mortgage industry; and

18 (ii) the role and responsibilities of a  
19 mortgage broker; and

20 (B) compliance with the financial requirements  
21 of this chapter; and

22 (6) not have been convicted of a criminal offense that  
23 the commissioner determines directly relates to the occupation of a  
24 mortgage broker under Chapter 53, Occupations Code.

25 (c) To be eligible to be licensed as a loan officer a person  
26 must:

27 (1) be an individual who is at least 18 years of age;

1           (2) be a citizen of the United States or a lawfully  
2 admitted alien;

3           (3) designate in the application the name of the  
4 mortgage broker sponsoring the loan officer;

5           (4) provide the commissioner with satisfactory  
6 evidence that the applicant satisfies one of the following:

7                   (A) the person meets one of the requirements  
8 described by Subsection (a)(4);

9                   (B) the person has successfully completed 15  
10 hours of education courses approved by the commissioner under this  
11 section;

12                   (C) the person has 18 months of experience as a  
13 loan officer as evidenced by documentary proof of full-time  
14 employment as a loan officer with a mortgage broker or a person  
15 exempt under Section 156.202; or

16                   (D) for applications received prior to January 1,  
17 2000, the mortgage broker that will sponsor the applicant provides  
18 a certification under oath that the applicant has been provided  
19 necessary and appropriate education and training regarding all  
20 applicable state and federal law and regulations relating to  
21 mortgage loans; ~~and~~

22           (5) not have been convicted of a criminal offense that  
23 the commissioner determines directly relates to the occupation of a  
24 loan officer under Chapter 53, Occupations Code; and

25           (6) provide the commissioner with satisfactory  
26 evidence of having passed an examination, offered by a testing  
27 service or company approved by the finance commission, that

1 demonstrates knowledge of:

2 (A) the mortgage industry; and

3 (B) the role and responsibilities of a loan  
4 officer.

5 SECTION 2. This Act takes effect September 1, 2003, and  
6 applies only to an application for a license that is made on or  
7 after that date. An application for a license made before the  
8 effective date of this Act is governed by the law in effect at the  
9 time the application was made, and the former law is continued in  
10 effect for that purpose.

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President of the Senate

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Speaker of the House

I hereby certify that S.B. No. 1578 passed the Senate on April 16, 2003, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 14, 2003, by a viva-voce vote.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1578 passed the House, with amendment, on May 6, 2003, by a non-record vote.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor