

By: Carona

S.B. No. 988

A BILL TO BE ENTITLED

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AN ACT

relating to education courses required for a mortgage broker or loan officer license.

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

SECTION 1. Section 156.204, Finance Code, is amended by reenacting and amending Subsection (c), as amended by Chapters 170 and 171, Acts of the 78th Legislature, Regular Session, 2003, and adding Subsection (e) to read as follows:

(c) To be eligible to be licensed as a loan officer 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) designate in the application the name of the mortgage broker sponsoring the loan officer;

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

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

(B) the person has successfully completed 30 [~~15~~] hours of education courses approved by the commissioner under this section;

(C) the person has 18 months of experience as a loan officer as evidenced by documentary proof of full-time

1 employment as a loan officer with a mortgage broker or a person
2 exempt under Section 156.202; or

3 (D) for applications received prior to January 1,
4 2000, the mortgage broker that will sponsor the applicant provides
5 a certification under oath that the applicant has been provided
6 necessary and appropriate education and training regarding all
7 applicable state and federal law and regulations relating to
8 mortgage loans;

9 (5) not have been convicted of a criminal offense that
10 the commissioner determines directly relates to the occupation of a
11 loan officer as provided by Chapter 53, Occupations Code;

12 (6) satisfy the commissioner as to the individual's
13 good moral character, including the individual's honesty,
14 trustworthiness, and integrity; ~~and~~

15 (7) ~~[(6)]~~ provide the commissioner with satisfactory
16 evidence of having passed an examination, offered by a testing
17 service or company approved by the finance commission, that
18 demonstrates knowledge of:

19 (A) the mortgage industry; and

20 (B) the role and responsibilities of a loan
21 officer; and ~~[-]~~

22 (8) ~~[(7)]~~ not be in violation of this chapter, a rule
23 adopted under this chapter, or any order previously issued to the
24 individual by the commissioner.

25 (e) The education courses required for a loan officer
26 license under Subsection (c)(4)(B) must cover ethics, the Real
27 Estate Settlement Procedures Act of 1974 (12 U.S.C. Section 2601 et

1 seq.), the Truth in Lending Act (15 U.S.C. Section 1601 et seq.),
2 the Equal Credit Opportunity Act (15 U.S.C. Section 1691 et seq.),
3 and the provisions of this chapter.

4 SECTION 2. Subsection (g), Section 156.208, Finance Code,
5 is amended to read as follows:

6 (g) The finance commission shall adopt rules related to the
7 approval of courses for continuing education credit under this
8 section that provide for the acceptance of continuing education
9 courses that are related to finance, financial consulting, lending,
10 real estate contracts, discrimination laws, deceptive trade
11 practices, real property conveyances, and other topics that are
12 relevant to mortgage brokers and that are acceptable as continuing
13 education courses to other professional licensing agencies or
14 related trade associations. The finance commission may approve any
15 education course approved by the Texas Real Estate Commission, the
16 Mortgage Bankers Association of America, or the National
17 Association of Mortgage Brokers so long as the subject matter of
18 such courses specifically promotes or furthers the purposes of this
19 chapter and relates to residential mortgage lending.

20 SECTION 3. (a) The changes in law made by this Act to
21 Section 156.204, Finance Code, apply only to an individual who
22 applies for a license as a loan officer on or after September 1,
23 2005. An individual who applies for a license before September 1,
24 2005, must comply with the requirements in effect on the date the
25 application was submitted, and the former law is continued in
26 effect for that purpose.

27 (b) The changes in law made by this Act to Section 156.208,

1 Finance Code, apply only to an individual who applies to renew the
2 individual's license on or after September 1, 2005. An individual
3 who applies to renew a license before September 1, 2005, must
4 comply with the requirements in effect on the date the application
5 was submitted, and the former law is continued in effect for that
6 purpose.

7 SECTION 4. This Act takes effect September 1, 2005.