

1-1 By: Truitt (Senate Sponsor - Wentworth) H.B. No. 2774  
1-2 (In the Senate - Received from the House April 29, 2009;  
1-3 May 4, 2009, read first time and referred to Committee on Business  
1-4 and Commerce; May 19, 2009, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 9, Nays 0;  
1-6 May 19, 2009, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 2774 By: Van de Putte

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the licensing and regulation of certain persons  
1-11 involved in residential mortgage lending; providing a penalty.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 156.101, Finance Code, is amended by  
1-14 adding Subsection (d) to read as follows:

1-15 (d) The commissioner shall participate in the Nationwide  
1-16 Mortgage Licensing System and Registry as provided by Chapter 180.

1-17 SECTION 2. Section 156.102, Finance Code, is amended by  
1-18 adding Subsections (a-1) and (b-1) to read as follows:

1-19 (a-1) The finance commission may adopt rules under this  
1-20 chapter as required to carry out the intentions of the federal  
1-21 Secure and Fair Enforcement for Mortgage Licensing Act of 2008  
1-22 (Pub. L. No. 110-289).

1-23 (b-1) The finance commission on the commissioner's  
1-24 recommendation may adopt rules to promote a fair and orderly  
1-25 administration of the fund consistent with the purposes of this  
1-26 subchapter.

1-27 SECTION 3. The heading to Section 156.104, Finance Code, is  
1-28 amended to read as follows:

1-29 Sec. 156.104. MORTGAGE INDUSTRY [~~BROKER~~] ADVISORY  
1-30 COMMITTEE.

1-31 SECTION 4. Sections 156.104(a), (b), and (h), Finance Code,  
1-32 are amended to read as follows:

1-33 (a) The mortgage industry [~~broker~~] advisory committee is  
1-34 created to advise and assist the commissioner.

1-35 (b) The advisory committee is composed of six members [~~to~~  
1-36 ~~be~~] appointed by [~~as follows~~]:

1-37 [~~(1)~~] the commissioner. Each of the members must be  
1-38 [shall appoint four members, each of whom]:

1-39 (1) under the regulatory authority of the department  
1-40 [~~(A) must hold a mortgage broker license~~];

1-41 (2) [~~(B) is~~] actively engaged in the business of  
1-42 originating, brokering, or funding residential mortgage loans at  
1-43 the time of appointment; and

1-44 (3) [~~(C) has been~~] primarily engaged in the business  
1-45 of originating, brokering, or funding residential mortgage loans  
1-46 for at least two years before the member's appointment [~~, and~~

1-47 [~~(2) the Texas Real Estate Commission shall appoint~~  
1-48 two members, each of whom must hold a real estate broker or  
1-49 salesperson license].

1-50 (h) In addition to other powers and duties delegated to it  
1-51 by the commissioner, the advisory committee shall advise the  
1-52 commissioner with respect to:

1-53 (1) the proposal and adoption of rules relating to:

1-54 (A) the licensing of mortgage brokers and loan  
1-55 officers;

1-56 (B) the education and experience requirements  
1-57 for licensing mortgage brokers and loan officers; and

1-58 (C) conduct and ethics of mortgage brokers and  
1-59 loan officers;

1-60 [~~(D) continuing education for licensed mortgage~~  
1-61 ~~brokers and loan officers and the types of courses acceptable as~~  
1-62 ~~continuing education courses under this chapter; and~~

1-63 [~~(E) the granting or denying of an application or~~

2-1 ~~request for renewal for a mortgage broker license or loan officer~~  
2-2 ~~license;]~~

2-3 (2) the form of or format for any applications or other  
2-4 documents under this chapter; and

2-5 (3) the interpretation, implementation, and  
2-6 enforcement of this chapter.

2-7 SECTION 5. Effective April 1, 2010, Section 156.104,  
2-8 Finance Code, is amended by adding Subsection (b-1) to read as  
2-9 follows:

(b-1) The members of the committee must include:

2-11 (1) three individuals licensed as residential  
2-12 mortgage loan originators under this chapter, one of whom must hold  
2-13 an active real estate broker or salesperson license issued under  
2-14 Chapter 1101, Occupations Code; and

2-15 (2) three individuals licensed as residential  
2-16 mortgage loan originators under Chapter 157, one of whom must hold  
2-17 an active real estate broker or salesperson license issued under  
2-18 Chapter 1101, Occupations Code.

2-19 SECTION 6. Section 156.202, Finance Code, is amended to  
2-20 read as follows:

2-21 Sec. 156.202. EXEMPTIONS. (a) The following persons are  
2-22 exempt from this chapter:

2-23 (1) any of the following entities or an employee of any  
2-24 of the following entities provided the employee is acting for the  
2-25 benefit of the employer:

2-26 (A) a bank, savings bank, or savings and loan  
2-27 association, or a subsidiary or an affiliate of a bank, savings  
2-28 bank, or savings and loan association;

2-29 (B) a state or federal credit union, or a  
2-30 subsidiary, affiliate, or credit union service organization of a  
2-31 state or federal credit union;

2-32 (C) an insurance company licensed or authorized  
2-33 to do business in this state under the Insurance Code;

2-34 (D) a mortgage banker registered under Chapter  
2-35 157;

2-36 (E) an organization that qualifies for an  
2-37 exemption from state franchise and sales tax as a 501(c)(3)  
2-38 organization;

2-39 (F) a Farm Credit System institution; or

2-40 (G) a political subdivision of this state  
2-41 involved in affordable home ownership programs;

2-42 (2) an individual who makes a mortgage loan from the  
2-43 individual's own funds to a spouse, former spouse, or persons in the  
2-44 lineal line of consanguinity of the individual lending the money;

2-45 (3) an owner of real property who in any  
2-46 12-consecutive-month period makes no more than five mortgage loans  
2-47 to purchasers of the property for all or part of the purchase price  
2-48 of the real estate against which the mortgage is secured;

2-49 (4) an individual who:

2-50 (A) makes a mortgage loan from the individual's  
2-51 own funds;

2-52 (B) is not an authorized lender under Chapter  
2-53 342, Finance Code; and

2-54 (C) does not regularly engage in the business of  
2-55 making or brokering mortgage loans; or

2-56 (5) an individual who is an exclusive agent of a  
2-57 registered financial services company under a written agreement  
2-58 prohibiting the individual from soliciting, processing,  
2-59 negotiating, or placing a mortgage loan with a person other than the  
2-60 registered financial services company or an affiliate of that  
2-61 company.

2-62 (b) An exclusive agent described by Subsection (a)(5) is  
2-63 considered an employee of the registered financial services company  
2-64 for purposes of this chapter.

2-65 SECTION 7. Section 156.203, Finance Code, is amended by  
2-66 adding Subsection (e) to read as follows:

2-67 (e) In addition to the disciplinary action by the  
2-68 commissioner authorized under Section 156.303(a)(7), the  
2-69 commissioner may collect a fee in an amount not to exceed \$50 for

3-1 any returned check or credit card charge back.

3-2 SECTION 8. Section 156.204, Finance Code, is amended by  
3-3 amending Subsections (a) and (c) and adding Subsection (f) to read  
3-4 as follows:

3-5 (a) To be eligible to be licensed as a mortgage broker as an  
3-6 individual, the individual must:

3-7 (1) be at least 18 years of age;

3-8 (2) be a citizen of the United States or a lawfully  
3-9 admitted alien;

3-10 (3) maintain a physical office in this state and  
3-11 designate that office in the application;

3-12 (4) provide the commissioner with satisfactory  
3-13 evidence that the applicant satisfies one of the following:

3-14 (A) the individual [~~person~~] has received a  
3-15 bachelor's degree in an area relating to finance, banking, or  
3-16 business administration from an accredited college or university  
3-17 and has 18 months of experience in the mortgage or lending field as  
3-18 evidenced by documentary proof of full-time employment as a  
3-19 mortgage broker or licensed loan officer with a mortgage broker or  
3-20 an individual [~~a person~~] exempt under Section 156.202;

3-21 (B) the individual [~~person~~] is licensed in this  
3-22 state as:

3-23 (i) an active real estate broker under  
3-24 Chapter 1101, Occupations Code;

3-25 (ii) an active attorney; or

3-26 (iii) an active general lines [~~a local~~  
3-27 ~~recording agent or~~] insurance [~~solicitor or~~] agent or a limited  
3-28 lines [~~for a legal reserve life~~] insurance agent [~~company under~~  
3-29 ~~Chapter 21, Insurance Code~~], or holds an equivalent insurance  
3-30 license under the [~~Chapter 21,~~] Insurance Code; or

3-31 (C) the individual [~~person~~] has three years of  
3-32 experience in the mortgage lending field as evidenced by  
3-33 documentary proof of full-time employment as a licensed loan  
3-34 officer with a mortgage broker or an individual [~~a person~~] exempt  
3-35 under Section 156.202;

3-36 (5) provide the commissioner with satisfactory  
3-37 evidence of:

3-38 (A) having passed an examination, offered by a  
3-39 testing service or company approved by the finance commission, that  
3-40 demonstrates knowledge of:

3-41 (i) the mortgage industry; and

3-42 (ii) the role and responsibilities of a  
3-43 mortgage broker; and

3-44 (B) compliance with the financial requirements  
3-45 of this chapter;

3-46 (6) not have been convicted of a criminal offense that  
3-47 the commissioner determines directly relates to the occupation of a  
3-48 mortgage broker as provided by Chapter 53, Occupations Code;

3-49 (7) satisfy the commissioner as to the individual's  
3-50 good moral character, including the individual's honesty,  
3-51 trustworthiness, and integrity;

3-52 (8) not be in violation of this chapter, a rule adopted  
3-53 under this chapter, or any order previously issued to the  
3-54 individual by the commissioner; and

3-55 (9) provide the commissioner with satisfactory  
3-56 evidence that:

3-57 (A) if the individual [~~person~~] has not been  
3-58 previously licensed as a mortgage broker or a loan officer under  
3-59 this subchapter, the individual [~~person~~] has completed 90  
3-60 [~~classroom~~] hours of education courses approved by the commissioner  
3-61 under this section; or

3-62 (B) if the individual [~~person~~] has not been  
3-63 previously licensed as a mortgage broker under this subchapter but  
3-64 has been licensed as a loan officer under this subchapter, the  
3-65 individual [~~person~~] has successfully completed an additional 30  
3-66 [~~classroom~~] hours of education courses approved by the commissioner  
3-67 under this section.

3-68 (c) To be eligible to be licensed as a loan officer a person  
3-69 must:

- 4-1 (1) be an individual who is at least 18 years of age;
- 4-2 (2) be a citizen of the United States or a lawfully
- 4-3 admitted alien;
- 4-4 (3) designate in the application the name of the
- 4-5 mortgage broker sponsoring the loan officer;
- 4-6 (4) provide the commissioner with satisfactory
- 4-7 evidence that the applicant satisfies one of the following:
- 4-8 (A) the person ~~[meets one of the requirements~~
- 4-9 ~~described by Subsection (a)(4) and]~~ has successfully completed at
- 4-10 least 60 [classroom] hours of education courses approved by the
- 4-11 commissioner; [under this section,]
- 4-12 (B) the person ~~[has 18 months of experience as a~~
- 4-13 ~~loan officer as evidenced by documentary proof of full-time~~
- 4-14 ~~employment as a loan officer with a person exempt under Section~~
- 4-15 ~~156.202 and]~~ has successfully completed 30 [classroom] hours of
- 4-16 education courses approved by the commissioner under this section
- 4-17 if the applicant:
- 4-18 (i) has 18 months or more of experience as a
- 4-19 mortgage loan officer as evidenced by documentary proof of
- 4-20 full-time employment as a mortgage loan officer with a person
- 4-21 exempt under Section 156.202; or
- 4-22 (ii) is a person who meets the
- 4-23 qualifications under Subsection (a)(4)(B); or
- 4-24 (C) the person holds an active mortgage broker
- 4-25 license issued under this chapter [for applications received prior
- 4-26 to January 1, 2000, the mortgage broker that will sponsor the
- 4-27 applicant provides a certification under oath that the applicant
- 4-28 has been provided necessary and appropriate education and training
- 4-29 regarding all applicable state and federal law and regulations
- 4-30 relating to mortgage loans];
- 4-31 (5) not have been convicted of a criminal offense that
- 4-32 the commissioner determines directly relates to the occupation of a
- 4-33 loan officer as provided by Chapter 53, Occupations Code;
- 4-34 (6) satisfy the commissioner as to the individual's
- 4-35 good moral character, including the individual's honesty,
- 4-36 trustworthiness, and integrity;
- 4-37 (7) provide the commissioner with satisfactory
- 4-38 evidence of having passed an examination, offered by a testing
- 4-39 service or company approved by the finance commission, that
- 4-40 demonstrates knowledge of:
- 4-41 (A) the mortgage industry; and
- 4-42 (B) the role and responsibilities of a loan
- 4-43 officer; and
- 4-44 (8) not be in violation of this chapter, a rule adopted
- 4-45 under this chapter, or any order previously issued to the
- 4-46 individual by the commissioner.

4-47 (f) Subsection (c) and this subsection expire January 1,

4-48 2011.

4-49 SECTION 9. Effective January 1, 2011, Section 156.204,

4-50 Finance Code, is amended by adding Subsection (c-1) to read as

4-51 follows:

4-52 (c-1) To be eligible to be licensed as a loan officer a

4-53 person must:

4-54 (1) be an individual who is at least 18 years of age;

4-55 (2) be a citizen of the United States or a lawfully

4-56 admitted alien;

4-57 (3) designate in the application the name of the

4-58 mortgage broker sponsoring the loan officer;

4-59 (4) provide the commissioner with satisfactory

4-60 evidence that the applicant satisfies one of the following:

4-61 (A) the person has successfully completed at

4-62 least 60 hours of education courses approved by the commissioner;

4-63 (B) the person has successfully completed 30

4-64 hours of education courses approved by the commissioner under this

4-65 section if the applicant has 18 months or more of experience as a

4-66 residential mortgage loan originator as evidenced by documentary

4-67 proof of full-time employment; or

4-68 (C) the person holds an active license as a

4-69 residential mortgage loan originator under Chapter 157 and has held

5-1 that license for a minimum of one year;

5-2 (5) not have been convicted of a criminal offense that  
 5-3 the commissioner determines directly relates to the occupation of a  
 5-4 loan officer as provided by Chapter 53, Occupations Code;

5-5 (6) satisfy the commissioner as to the individual's  
 5-6 good moral character, including the individual's honesty,  
 5-7 trustworthiness, and integrity;

5-8 (7) provide the commissioner with satisfactory  
 5-9 evidence of having passed an examination, offered by a testing  
 5-10 service or company approved by the finance commission, that  
 5-11 demonstrates knowledge of:

5-12 (A) the mortgage industry; and

5-13 (B) the role and responsibilities of a loan  
 5-14 officer; and

5-15 (8) not be in violation of this chapter, a rule adopted  
 5-16 under this chapter, or any order previously issued to the  
 5-17 individual by the commissioner.

5-18 SECTION 10. Section 156.205, Finance Code, is amended to  
 5-19 read as follows:

5-20 Sec. 156.205. FINANCIAL REQUIREMENTS [~~FOR A MORTGAGE~~  
 5-21 ~~BROKER~~]. Financial requirements for holding a mortgage broker or  
 5-22 loan officer license shall be met through participation in the  
 5-23 fund. [~~(a) In this section, "net assets" means the difference~~  
 5-24 ~~between total assets and total liabilities, as determined by~~  
 5-25 ~~generally acceptable accounting principles, and does not include~~  
 5-26 ~~any assets that are exempt under state or federal law. All assets~~  
 5-27 ~~and liabilities are subject to verification by the commissioner.~~

5-28 [~~(b) A mortgage broker must maintain net assets of at least~~  
 5-29 ~~\$25,000 or a surety bond in the amount of at least \$50,000. The term~~  
 5-30 ~~of the surety bond must coincide with the term of the license. The~~  
 5-31 ~~finance commission may adopt rules establishing the terms and~~  
 5-32 ~~conditions of the surety bond and the qualifications of the surety.~~

5-33 [~~(c) The commissioner shall require proof of compliance~~  
 5-34 ~~with this section at the time the mortgage broker applies for or~~  
 5-35 ~~renews a license.]~~

5-36 SECTION 11. Section 156.208, Finance Code, is amended by  
 5-37 amending Subsections (a), (b), and (j) and adding Subsections (k)  
 5-38 and (l) to read as follows:

5-39 (a) A mortgage broker license issued under this chapter is  
 5-40 valid for a term of not more than two years and may be renewed on or  
 5-41 before its expiration date if the mortgage broker:

5-42 (1) pays to the commissioner a renewal fee in an amount  
 5-43 determined by the commissioner not to exceed \$375 and a recovery  
 5-44 fund fee provided by Section 156.502;

5-45 (2) has not been convicted of a criminal offense the  
 5-46 commissioner determines is directly related to the occupation of a  
 5-47 mortgage broker as provided by Chapter 53, Occupations Code; and

5-48 (3) provides the commissioner with satisfactory  
 5-49 evidence that the mortgage broker:

5-50 (A) has attended, during the term of the current  
 5-51 license, 15 hours of continuing education courses that the  
 5-52 commissioner, in accordance with the rules adopted by the finance  
 5-53 commission under this section, has approved as continuing education  
 5-54 courses; or

5-55 (B) maintains an active license in this state as:

5-56 (i) a real estate broker;

5-57 (ii) a real estate salesperson;

5-58 (iii) an attorney; or

5-59 (iv) an active general lines insurance [a  
 5-60 local recording] agent or a limited lines [or] insurance [solicitor  
 5-61 or] agent [for a legal reserve life insurance company under Chapter  
 5-62 21, Insurance Code], or holds an equivalent insurance license under  
 5-63 the [Chapter 21,] Insurance Code.

5-64 (b) A loan officer license issued under this chapter is  
 5-65 valid for a term of not more than two years and may be renewed on or  
 5-66 before its expiration date if the loan officer:

5-67 (1) pays to the commissioner a renewal fee in an amount  
 5-68 determined by the commissioner not to exceed \$275 [~~\$175~~] and a  
 5-69 recovery fund fee provided by Section 156.502;

6-1 (2) has not been convicted of a criminal offense the  
6-2 commissioner determines is directly related to the occupation of a  
6-3 loan officer as provided by Chapter 53, Occupations Code; and

6-4 (3) provides the commissioner with satisfactory  
6-5 evidence that the loan officer:

6-6 (A) has attended, during the term of the current  
6-7 license, 15 hours of continuing education courses that the  
6-8 commissioner, in accordance with the rules adopted by the finance  
6-9 commission under this section, has approved as continuing education  
6-10 courses, including courses provided by or through the licensed  
6-11 mortgage broker with whom the loan officer is associated after  
6-12 submission to and approval by the commission; or

6-13 (B) maintains an active license in this state as:

6-14 (i) a real estate broker;

6-15 (ii) a real estate salesperson;

6-16 (iii) an attorney; or

6-17 (iv) an active general lines insurance [a

6-18 local recording] agent or a limited lines [or] insurance [solicitor

6-19 or] agent [for a legal reserve life insurance company under Chapter

6-20 21, Insurance Code], or holds an equivalent insurance license under

6-21 the [Chapter 21,] Insurance Code.

6-22 (j) The commissioner may deny the renewal of a mortgage  
6-23 broker license or a loan officer license if:

6-24 (1) the mortgage broker or loan officer is in  
6-25 violation of this chapter, a rule adopted under this chapter, or any  
6-26 order previously issued to the individual by the commissioner;

6-27 (2) the mortgage broker or loan officer is in default  
6-28 in the payment of any administrative penalty, fee, charge, or other  
6-29 indebtedness owed under this title; ~~or~~

6-30 (3) during the current term of the license, the  
6-31 commissioner becomes aware of any fact that would have been grounds  
6-32 for denial of an original license if the fact had been known by the  
6-33 commissioner on the date the license was granted; or

6-34 (4) the mortgage broker or loan officer is in default  
6-35 on a student loan administered by the Texas Guaranteed Student Loan  
6-36 Corporation, pursuant to Section 57.491, Education Code.

6-37 (k) In addition to the disciplinary action by the  
6-38 commissioner authorized under Section 156.303(a)(7), the  
6-39 commissioner may collect a fee in an amount not to exceed \$50 for  
6-40 any returned check or credit card charge back.

6-41 (l) Subsections (a) and (b) and this subsection expire  
6-42 January 1, 2011.

6-43 SECTION 12. Effective January 1, 2011, Section 156.208,  
6-44 Finance Code, is amended by adding Subsections (a-1) and (b-1) to  
6-45 read as follows:

6-46 (a-1) A mortgage broker license issued under this chapter is  
6-47 valid for a term of not more than two years and may be renewed on or  
6-48 before its expiration date if the mortgage broker:

6-49 (1) pays to the commissioner a renewal fee in an amount  
6-50 determined by the commissioner not to exceed \$375 and a recovery  
6-51 fund fee provided by Section 156.502;

6-52 (2) has not been convicted of a criminal offense the  
6-53 commissioner determines is directly related to the occupation of a  
6-54 mortgage broker as provided by Chapter 53, Occupations Code; and

6-55 (3) provides the commissioner with satisfactory  
6-56 evidence that the mortgage broker has attended, during the term of  
6-57 the current license, continuing education courses in accordance  
6-58 with the applicable requirements of Chapter 180.

6-59 (b-1) A loan officer license issued under this chapter is  
6-60 valid for a term of not more than two years and may be renewed on or  
6-61 before its expiration date if the loan officer:

6-62 (1) pays to the commissioner a renewal fee in an amount  
6-63 determined by the commissioner not to exceed \$275 and a recovery  
6-64 fund fee provided by Section 156.502;

6-65 (2) has not been convicted of a criminal offense the  
6-66 commissioner determines is directly related to the occupation of a  
6-67 loan officer as provided by Chapter 53, Occupations Code; and

6-68 (3) provides the commissioner with satisfactory  
6-69 evidence that the loan officer has attended, during the term of the

7-1 current license, continuing education courses in accordance with  
7-2 the applicable requirements of Chapter 180.

7-3 SECTION 13. The heading to Section 156.212, Finance Code,  
7-4 is amended to read as follows:

7-5 Sec. 156.212. MAINTENANCE AND LOCATION OF OFFICES [~~DISPLAY~~  
7-6 ~~OF LICENSE CERTIFICATES~~].

7-7 SECTION 14. Section 156.214(b), Finance Code, as added by  
7-8 Chapter 228 (H.B. 1716), Acts of the 80th Legislature, Regular  
7-9 Session, 2007, is amended to read as follows:

7-10 (b) To be eligible to register as a registered financial  
7-11 services company, a person must:

7-12 (1) be a depository institution exempt from this  
7-13 chapter under Section 156.202(1)(A) or (B) and chartered and  
7-14 regulated by the Office of Thrift Supervision or the Office of the  
7-15 Comptroller of the Currency, or be a subsidiary or affiliate of the  
7-16 institution;

7-17 (2) provide the commissioner with satisfactory  
7-18 evidence of an undertaking of accountability in a form acceptable  
7-19 to the commissioner, supported by a surety bond equal to \$1 million  
7-20 to cover the person's responsibility for mortgage broker activities  
7-21 of each exclusive agent;

7-22 (3) provide a business plan satisfactory to the  
7-23 commissioner that sets forth the person's plan to provide education  
7-24 to its exclusive agents, handle consumer complaints relating to its  
7-25 exclusive agents, and supervise the mortgage broker activities of  
7-26 its exclusive agents;

7-27 (4) pay an annual registration fee in an amount  
7-28 determined as follows [~~of the lesser of~~]:

7-29 (A) if the registered financial services company  
7-30 has 2,000 or fewer exclusive agents acting in this state, an amount  
7-31 equal to the lesser of:

7-32 (i) one-half of the license fee for a loan  
7-33 officer under Section 156.203(c)(1), multiplied by the number of  
7-34 exclusive agents under contract to act for the person in this state;  
7-35 or

7-36 (ii) [~~(B)~~] \$200,000;

7-37 (B) if the registered financial services company  
7-38 has at least 2,001 but not more than 2,500 exclusive agents acting  
7-39 in this state, \$225,000;

7-40 (C) if the registered financial services company  
7-41 has at least 2,501 but not more than 3,000 exclusive agents acting  
7-42 in this state, \$250,000;

7-43 (D) if the registered financial services company  
7-44 has at least 3,001 but not more than 5,000 exclusive agents acting  
7-45 in this state, \$300,000; or

7-46 (E) if the registered financial services company  
7-47 has at least 5,001 exclusive agents acting in this state, \$350,000;  
7-48 and

7-49 (5) designate an officer of the person to be  
7-50 responsible for the activities of the exclusive agents.

7-51 SECTION 15. Section 156.301, Finance Code, is amended by  
7-52 adding Subsection (h) to read as follows:

7-53 (h) The commissioner may require reimbursement in an amount  
7-54 not to exceed \$325 for each examiner a day for on-site examination  
7-55 or investigation of a mortgage broker if records are located out of  
7-56 state or if the review is considered necessary beyond the routine  
7-57 examination process.

7-58 SECTION 16. Section 156.302(a), Finance Code, is amended to  
7-59 read as follows:

7-60 (a) The commissioner, after notice and opportunity for  
7-61 hearing, may impose an administrative penalty on a person licensed  
7-62 under this chapter who violates this chapter or a rule or order  
7-63 adopted under this chapter.

7-64 SECTION 17. Section 156.303, Finance Code, is amended by  
7-65 amending Subsections (a), (e), (g), (h), and (j) and adding  
7-66 Subsection (a-1) to read as follows:

7-67 (a) The commissioner may order disciplinary action against  
7-68 a licensed mortgage broker or a licensed loan officer when the  
7-69 commissioner, after notice and opportunity for [a] hearing, has

8-1 determined that the person:  
8-2 (1) obtained a license, including a renewal of a  
8-3 license, under this chapter through a false or fraudulent  
8-4 representation or made a material misrepresentation in an  
8-5 application for a license or for the renewal of a license under this  
8-6 chapter;  
8-7 (2) published or caused to be published an  
8-8 advertisement related to the business of a mortgage broker or loan  
8-9 officer that:  
8-10 (A) is misleading;  
8-11 (B) is likely to deceive the public;  
8-12 (C) in any manner tends to create a misleading  
8-13 impression;  
8-14 (D) fails to identify as a mortgage broker or  
8-15 loan officer the person causing the advertisement to be published;  
8-16 or  
8-17 (E) violates federal or state law;  
8-18 (3) while performing an act for which a license under  
8-19 this chapter is required, engaged in conduct that constitutes  
8-20 improper, fraudulent, or dishonest dealings;  
8-21 (4) entered a plea of guilty or nolo contendere to, or  
8-22 is convicted of, a criminal offense that is a felony or that  
8-23 involves fraud or moral turpitude in a court of this or another  
8-24 state or in a federal court;  
8-25 (5) failed to use a fee collected in advance of closing  
8-26 of a mortgage loan for a purpose for which the fee was paid;  
8-27 (6) charged or received, directly or indirectly, a fee  
8-28 for assisting a mortgage applicant in obtaining a mortgage loan  
8-29 before all of the services that the person agreed to perform for the  
8-30 mortgage applicant are completed, and the proceeds of the mortgage  
8-31 loan have been disbursed to or on behalf of the mortgage applicant,  
8-32 except as provided by Section 156.304;  
8-33 (7) failed within a reasonable time to honor a check  
8-34 issued to the commissioner after the commissioner has mailed a  
8-35 request for payment by certified mail to the person's last known  
8-36 business address as reflected by the commissioner's records;  
8-37 (8) paid compensation to a person who is not licensed  
8-38 or exempt under this chapter for acts for which a license under this  
8-39 chapter is required;  
8-40 (9) induced or attempted to induce a party to a  
8-41 contract to breach the contract so the person may make a mortgage  
8-42 loan;  
8-43 (10) published or circulated an unjustified or  
8-44 unwarranted threat of legal proceedings in matters related to the  
8-45 person's actions or services as a mortgage broker or loan officer,  
8-46 as applicable;  
8-47 (11) established an association, by employment or  
8-48 otherwise, with a person not licensed or exempt under this chapter  
8-49 who was expected or required to act as a mortgage broker or loan  
8-50 officer;  
8-51 (12) aided, abetted, or conspired with a person to  
8-52 circumvent the requirements of this chapter;  
8-53 (13) acted in the dual capacity of a mortgage broker or  
8-54 loan officer and real estate broker, salesperson, or attorney in a  
8-55 transaction without the knowledge and written consent of the  
8-56 mortgage applicant or in violation of applicable requirements under  
8-57 federal law;  
8-58 (14) discriminated against a prospective borrower on  
8-59 the basis of race, color, religion, sex, national origin, ancestry,  
8-60 familial status, or a disability;  
8-61 (15) failed or refused on demand to:  
8-62 (A) produce a document, book, or record  
8-63 concerning a mortgage loan transaction conducted by the mortgage  
8-64 broker or loan officer for inspection by the commissioner or the  
8-65 commissioner's authorized personnel or representative;  
8-66 (B) give the commissioner or the commissioner's  
8-67 authorized personnel or representative free access to the books or  
8-68 records relating to the person's business kept by an officer,  
8-69 agent, or employee of the person or any business entity through



9-1 which the person conducts mortgage brokerage activities, including  
9-2 a subsidiary or holding company affiliate; or

9-3 (C) provide information requested by the  
9-4 commissioner as a result of a formal or informal complaint made to  
9-5 the commissioner;

9-6 (16) failed without just cause to surrender, on  
9-7 demand, a copy of a document or other instrument coming into the  
9-8 person's possession that was provided to the person by another  
9-9 person making the demand or that the person making the demand is  
9-10 under law entitled to receive;

9-11 (17) disregarded or violated this chapter, a rule  
9-12 adopted by the finance commission under this chapter, or an order  
9-13 issued by the commissioner under this chapter; or

9-14 (18) provided false information to the commissioner  
9-15 during the course of an investigation or inspection.

9-16 (a-1) The commissioner may also order disciplinary action  
9-17 after notice and opportunity for hearing against a licensed  
9-18 mortgage broker or a licensed loan officer if the commissioner  
9-19 becomes aware during the term of the license of any fact that would  
9-20 have been grounds for denial of an original license if the fact had  
9-21 been known by the commissioner on the date the license was issued.

9-22 (e) The commissioner, after giving notice and an  
9-23 opportunity for hearing, may impose against a person who violates a  
9-24 cease and desist order an administrative penalty in an amount not to  
9-25 exceed \$1,000 for each day of the violation. In addition to any  
9-26 other remedy provided by law, the commissioner may institute in  
9-27 district court a suit for injunctive relief and to collect the  
9-28 administrative penalty. A bond is not required of the commissioner  
9-29 with respect to injunctive relief granted under this subsection.  
9-30 [A penalty collected under this subsection shall be deposited in  
9-31 the fund.]

9-32 (g) If a person fails to pay an administrative penalty that  
9-33 has become final or fails to comply with an order of the  
9-34 commissioner that has become final, in addition to any other remedy  
9-35 provided under law the commissioner, on not less than 10 days'  
9-36 notice to the person, may without a prior hearing suspend the  
9-37 person's mortgage broker license or loan officer license. The  
9-38 suspension shall continue until the person has complied with the  
9-39 ~~[cease and desist]~~ order or paid the administrative penalty.  
9-40 During the period of suspension, the person may not originate a  
9-41 mortgage loan and all compensation received by the person during  
9-42 the period of suspension is subject to forfeiture as provided by  
9-43 Section 156.406(b).

9-44 (h) An order of suspension under Subsection (g) may be  
9-45 appealed. An appeal is a contested case governed by Chapter 2001,  
9-46 Government Code. A hearing of an appeal of an order of suspension  
9-47 issued under Subsection (g) shall be held not later than the 30th  
9-48 ~~[15th]~~ day after the date of receipt of the notice of appeal. The  
9-49 appellant shall be provided at least three days' notice of the time  
9-50 and place of the hearing.

9-51 (j) The [On notice and opportunity for hearing, the]  
9-52 commissioner may, on not less than 10 days' notice to the person,  
9-53 suspend a person's license without a prior hearing under this  
9-54 chapter if an indictment or information is filed or returned  
9-55 alleging that the person committed a criminal offense involving  
9-56 fraud, theft, or dishonesty. The suspension continues until the  
9-57 criminal case is dismissed or the person is acquitted. A person may  
9-58 appeal the suspension in accordance with Subsection (h).

9-59 SECTION 18. Section 156.401(a), Finance Code, is amended to  
9-60 read as follows:

9-61 (a) The commissioner may employ an enforcement staff to  
9-62 investigate and prosecute complaints made against persons licensed  
9-63 under this chapter. The commissioner may employ a hearings officer  
9-64 to conduct hearings under this section. The commissioner may  
9-65 collect and deposit any court costs collected pursuant to a final  
9-66 order.

9-67 SECTION 19. Section 156.501, Finance Code, is amended by  
9-68 amending Subsections (a) and (b) and adding Subsections (d), (e),  
9-69 and (f) to read as follows:

10-1 (a) The commissioner shall establish, administer, and  
 10-2 maintain a mortgage broker recovery fund as provided by this  
 10-3 subchapter. The amounts received by the commissioner for deposit  
 10-4 in the fund shall be held by the commissioner in trust for carrying  
 10-5 out the purposes of the fund.

10-6 (b) Subject to this subsection, the [The] fund shall be used  
 10-7 to reimburse residential mortgage loan applicants for actual  
 10-8 damages incurred because of [aggrieved persons to whom a court  
 10-9 awards actual damages because of certain] acts committed by a  
 10-10 mortgage broker or loan officer who was licensed under this chapter  
 10-11 when the act was committed. The use of the fund is limited to  
 10-12 reimbursement for out-of-pocket losses caused by an act by a  
 10-13 mortgage broker or loan officer that constitutes a violation of  
 10-14 Section 156.303(a)(2), (3), (5), (6), (8), (9), (10), (11), (12),  
 10-15 (13), or (16) or 156.304. Payments from the fund may not be made to  
 10-16 a lender who makes a mortgage loan originated by the mortgage broker  
 10-17 or loan officer or who acquires a mortgage loan originated by the  
 10-18 mortgage broker or loan officer.

10-19 (d) The fund may be used at the discretion of the  
 10-20 commissioner to reimburse expenses incurred to secure and destroy  
 10-21 residential mortgage loan documents that have been abandoned by a  
 10-22 current or former individual or entity under the regulatory  
 10-23 authority of the department.

10-24 (e) Payments from the fund shall be reduced by the amount of  
 10-25 any recovery from the mortgage broker or loan officer or from any  
 10-26 surety, insurer, or other person or entity making restitution to  
 10-27 the applicant on behalf of the mortgage broker or loan officer.

10-28 (f) The commissioner, as manager of the fund, is entitled to  
 10-29 reimbursement for reasonable and necessary costs and expenses  
 10-30 incurred in the management of the fund, including costs and  
 10-31 expenses incurred with regard to applications filed under Section  
 10-32 156.504.

10-33 SECTION 20. Section 156.502(a), Finance Code, is amended to  
 10-34 read as follows:

10-35 (a) On an application for an original license or for renewal  
 10-36 of a license issued under this chapter, the applicant, in addition  
 10-37 to paying the original application fee or renewal fee, shall pay a  
 10-38 fee in an amount determined by the commissioner, not to exceed \$20  
 10-39 [fee]. The fee shall be deposited in the fund.

10-40 SECTION 21. Section 156.502(b), Finance Code, is amended to  
 10-41 read as follows:

10-42 (b) If the balance remaining in the fund at the end of a  
 10-43 calendar year [after 2010] is more [less] than \$3.5 million, the  
 10-44 amount of money in excess of that amount shall be available to the  
 10-45 commissioner to offset the expenses of participating in and sharing  
 10-46 information with the Nationwide Mortgage Licensing System and  
 10-47 Registry in accordance with Chapter 180 [\$500,000, each mortgage  
 10-48 broker and loan officer licensed under this chapter, on the next  
 10-49 renewal of the license, shall pay, in addition to any other required  
 10-50 fees, the lesser of a \$10 fee or a pro rata share of the amount  
 10-51 necessary to bring the fund to \$1 million. The fee shall be  
 10-52 deposited in the fund].

10-53 SECTION 22. Section 156.503, Finance Code, is amended to  
 10-54 read as follows:

10-55 Sec. 156.503. STATUTE OF LIMITATIONS. (a) An application  
 10-56 for the recovery of actual damages [action for a judgment that  
 10-57 subsequently results in an order for collection] from the fund  
 10-58 under Section 156.504 may not be filed [instituted] after the  
 10-59 second anniversary of the date of the alleged act or omission  
 10-60 causing the actual damages or the date the act or omission should  
 10-61 reasonably have been discovered.

10-62 (b) This section does not apply to a subrogation claim  
 10-63 brought by the commissioner for recovery of money paid out of the  
 10-64 fund [on which the cause of action accrues].

10-65 SECTION 23. Section 156.504, Finance Code, is amended to  
 10-66 read as follows:

10-67 Sec. 156.504. PROCEDURE FOR RECOVERY. (a) To recover from  
 10-68 the fund, a residential mortgage loan applicant must file a written  
 10-69 sworn application with the commissioner in the form prescribed by

11-1 ~~[An aggrieved person who recovers against a mortgage broker or loan~~  
 11-2 ~~officer licensed under this chapter a valid court judgment for~~  
 11-3 ~~conduct described by Section 156.501 that occurred on or after~~  
 11-4 ~~January 1, 2000, after final judgment has been entered, execution~~  
 11-5 ~~returned nulla bona, and a judgment lien perfected, may file a~~  
 11-6 ~~verified claim in the court in which the judgment was entered and,~~  
 11-7 ~~on 20 days' written notice to] the commissioner [and to the judgment~~  
 11-8 ~~debtor, may apply to the court for an order directing payment from~~  
 11-9 ~~the fund of any unpaid judgment amount], subject to Section~~  
 11-10 156.503. A person who knowingly makes a false statement in  
 11-11 connection with applying for money out of the fund may be subject to  
 11-12 criminal prosecution under Section 37.10, Penal Code.

11-13 ~~(b) The residential mortgage loan applicant [On the hearing~~  
 11-14 ~~on the application, the aggrieved person] is required to show:~~

11-15 ~~(1) that the applicant's claim [judgment] is based on~~  
 11-16 ~~facts allowing recovery under Section 156.501; and~~

11-17 ~~(2) that the applicant:~~

11-18 ~~(A) [person] is not a spouse of the licensed~~  
 11-19 ~~mortgage broker or loan officer;~~

11-20 ~~(B) is not a child, parent, grandchild,~~  
 11-21 ~~grandparent, or sibling, including relationships by adoption, of~~  
 11-22 ~~the licensed mortgage broker or loan officer;~~

11-23 ~~(C) is not a person sharing living quarters with~~  
 11-24 ~~the licensed mortgage broker or loan officer or a current or former~~  
 11-25 ~~employer, employee, or associate of the licensed mortgage broker or~~  
 11-26 ~~loan officer;~~

11-27 ~~(D) is not a person who has aided, abetted, or~~  
 11-28 ~~participated other than as a victim with the [of the debtor, or the~~  
 11-29 ~~personal representative of the spouse, and that the person is not]~~  
 11-30 ~~licensed [as a] mortgage broker or loan officer in any activity that~~  
 11-31 ~~is illegal under Section 156.303(a)(2), (3), (5), (6), (8), (9),~~  
 11-32 ~~(10), (11), (12), (13), or (16) or Section 156.304 or is not the~~  
 11-33 ~~personal representative of a licensed mortgage broker or loan~~  
 11-34 ~~officer; and~~

11-35 ~~(E) is not licensed as a mortgage broker or loan~~  
 11-36 ~~officer under this chapter who is seeking to recover any~~  
 11-37 ~~compensation in the transaction or transactions for which the~~  
 11-38 ~~application for payment is made[+]~~

11-39 ~~[(3) that based on the best available information, the~~  
 11-40 ~~judgment debtor lacks sufficient attachable assets in this state or~~  
 11-41 ~~any other state to satisfy the judgment and the surety bond required~~  
 11-42 ~~by Section 156.205 is not sufficient to satisfy the judgment; and~~

11-43 ~~[(4) the amount that may be realized from the sale of~~  
 11-44 ~~property or other assets liable to be sold or applied in~~  
 11-45 ~~satisfaction of the judgment and the balance remaining due on the~~  
 11-46 ~~judgment after application of the amount that may be realized].~~

11-47 ~~(c) On receipt of the verified application, the~~  
 11-48 ~~commissioner's staff shall:~~

11-49 ~~(1) notify each appropriate license holder and the~~  
 11-50 ~~issuer of any surety bond issued in connection with their licenses;~~  
 11-51 ~~and~~

11-52 ~~(2) investigate the application and issue a~~  
 11-53 ~~preliminary determination, giving the applicant, the license~~  
 11-54 ~~holder, and any surety an opportunity to resolve the matter by~~  
 11-55 ~~agreement or to dispute the preliminary determination.~~

11-56 ~~(d) If the preliminary determination under Subsection~~  
 11-57 ~~(c)(2) is not otherwise resolved by agreement and is not disputed by~~  
 11-58 ~~written notice to the commissioner before the 31st day after the~~  
 11-59 ~~notification date, the preliminary determination automatically~~  
 11-60 ~~becomes final and the commissioner shall make payment from the~~  
 11-61 ~~fund, subject to [A recovery on the judgment against a single~~  
 11-62 ~~defendant made before payment from the fund shall be applied first~~  
 11-63 ~~by the creditor to actual damages.~~

11-64 ~~[(d) The court shall make an order directed to the~~  
 11-65 ~~commissioner requiring payment from the fund of the amount the~~  
 11-66 ~~court finds to be payable on the claim, pursuant to and in~~  
 11-67 ~~accordance with the limitations contained in this subchapter, if~~  
 11-68 ~~the court is satisfied, on the hearing, of the truth of all matters~~  
 11-69 ~~required to be shown by the aggrieved person under Subsection (b)~~

12-1 ~~and that the aggrieved person has satisfied all of the requirements~~  
 12-2 ~~of this section.~~

12-3 ~~[(e) When the commissioner receives notice of entry of a~~  
 12-4 ~~final judgment and a hearing is scheduled under this section, the~~  
 12-5 ~~commissioner may notify the attorney general of the commissioner's~~  
 12-6 ~~desire to enter an appearance, file a response, appear at the court~~  
 12-7 ~~hearing, defend the action, or to take any other appropriate~~  
 12-8 ~~action. In taking any action described by this subsection, the~~  
 12-9 ~~commissioner and the attorney general shall act only to protect the~~  
 12-10 ~~fund from spurious or unjust claims or to ensure compliance with the~~  
 12-11 ~~requirements for recovery under this subchapter.~~

12-12 ~~[(f) The commissioner may relitigate any issue material and~~  
 12-13 ~~relevant in the hearing on the application that was determined in~~  
 12-14 ~~the underlying action on which the judgment in favor of the~~  
 12-15 ~~applicant was based.~~

12-16 ~~[(g) If the court finds that the aggregate amount of claims~~  
 12-17 ~~against a licensed mortgage broker or loan officer exceeds] the~~  
 12-18 ~~limits of [contained in] Section 156.505.~~

12-19 (e) If the preliminary determination under Subsection  
 12-20 (c)(2) is disputed by the applicant, the license holder, or any  
 12-21 surety by written notice to the commissioner before the 31st day  
 12-22 after the notification date, the matter shall be set for a hearing  
 12-23 governed by Chapter 2001, Government Code, and the hearing rules of  
 12-24 the finance commission [the court shall reduce proportionately  
 12-25 the amount the court finds payable on the claim].

12-26 SECTION 24. Section 156.505, Finance Code, is amended to  
 12-27 read as follows:

12-28 Sec. 156.505. RECOVERY LIMITS. (a) A person entitled to  
 12-29 receive payment out of the fund is entitled to receive  
 12-30 reimbursement of actual, out-of-pocket damages~~[, reasonable~~  
 12-31 ~~attorney's fees, and court costs as determined by the court]~~ as  
 12-32 provided by this section.

12-33 (b) A payment from the fund may be made ~~[only pursuant to a~~  
 12-34 ~~court order]~~ as provided by Section 156.504 and this section. A  
 12-35 payment for claims:

12-36 (1) arising out of the same transaction, including  
 12-37 ~~[attorney's fees,] interest, [and court costs,]~~ is limited in the  
 12-38 aggregate to \$25,000, regardless of the number of claimants; and

12-39 (2) ~~[based on judgments]~~ against a single person  
 12-40 licensed as a mortgage broker or loan officer under this chapter  
 12-41 arising out of separate transactions, including interest, is  
 12-42 limited in the aggregate to \$50,000 until the fund has been  
 12-43 reimbursed for all amounts paid.

12-44 (c) In the event there are concurrent claims under  
 12-45 Subsections (b)(1) and (2) that exceed the amounts available under  
 12-46 the fund, the commissioner shall prorate recovery based on the  
 12-47 amount of damage suffered by each claimant.

12-48 SECTION 25. Section 156.506, Finance Code, is amended by  
 12-49 amending Subsections (a) and (c) and adding Subsection (a-1) to  
 12-50 read as follows:

12-51 (a) The commissioner may revoke a license issued under this  
 12-52 chapter on proof that the commissioner has made a payment from the  
 12-53 fund of any amount toward satisfaction of a claim [judgment]  
 12-54 against a [person licensed as a] mortgage broker or loan officer  
 12-55 under this chapter.

12-56 (a-1) The commissioner may seek to collect from a mortgage  
 12-57 broker or loan officer the amount paid from the fund on behalf of  
 12-58 the mortgage broker or loan officer and any costs associated with  
 12-59 investigating and processing the claim against the fund or with  
 12-60 collection of reimbursement for payments from the fund, plus  
 12-61 interest at the current legal rate until the amount has been repaid  
 12-62 in full. Any amount, including interest, recovered by the  
 12-63 commissioner shall be deposited to the credit of the fund.

12-64 (c) A person on whose behalf payment was made from the fund  
 12-65 is not eligible to receive a new license under this chapter until  
 12-66 the person has repaid in full, plus interest at the current legal  
 12-67 rate, the amount paid from the fund on the person's behalf and any  
 12-68 costs associated with investigating and processing the claim  
 12-69 against the fund or with collection of reimbursement for payments

13-1 from the fund.

13-2 SECTION 26. Section 156.507, Finance Code, is amended to  
 13-3 read as follows:

13-4 Sec. 156.507. SUBROGATION. When the commissioner has paid  
 13-5 an applicant [~~a judgment creditor~~] an amount from the fund under  
 13-6 Section 156.504 [~~as directed by the court~~], the commissioner is  
 13-7 subrogated to all of the rights of the applicant [~~judgment~~  
 13-8 ~~creditor~~] to the extent of the amount paid. The applicant [~~judgment~~  
 13-9 ~~creditor~~] shall assign all of the applicant's [~~creditor's~~] right,  
 13-10 title, and interest in [~~the judgment up to the amount paid by the~~  
 13-11 ~~commissioner, and that amount has priority for repayment in the~~  
 13-12 ~~event of~~] any subsequent [~~recovery on the~~] judgment against the  
 13-13 license holder, up to the [~~Any~~] amount paid [~~, including interest,~~  
 13-14 ~~recovered~~] by the commissioner. Any amount, including interest,  
 13-15 recovered by the commissioner on the assignment [~~judgment~~] shall be  
 13-16 deposited to the credit of the fund.

13-17 SECTION 27. Section 156.508, Finance Code, is amended to  
 13-18 read as follows:

13-19 Sec. 156.508. FAILURE TO COMPLY WITH SUBCHAPTER OR RULE  
 13-20 ADOPTED BY THE FINANCE COMMISSION. The failure of an applicant  
 13-21 under Section 156.504 [~~aggrieved person~~] to comply with a provision  
 13-22 of this subchapter relating to the fund or with a rule adopted by  
 13-23 the finance commission relating to the fund constitutes a waiver of  
 13-24 any rights under this subchapter.

13-25 SECTION 28. Sections 156.212(c) and (d) and 156.502(c),  
 13-26 Finance Code, are repealed.

13-27 SECTION 29. The provisions of this Act or the applications  
 13-28 of those provisions are severable as provided by Section  
 13-29 311.032(c), Government Code. If the Secretary of Housing and Urban  
 13-30 Development determines that any provision of this Act fails to meet  
 13-31 the requirements of the federal Secure and Fair Enforcement for  
 13-32 Mortgage Licensing Act of 2008 (Pub. L. No. 110-289), that  
 13-33 provision of this Act shall be held invalid; however, the remainder  
 13-34 of this Act or the application of the provision to other persons or  
 13-35 circumstances is not affected.

13-36 SECTION 30. To the extent of any conflict, this Act prevails  
 13-37 over another Act of the 81st Legislature, Regular Session, 2009,  
 13-38 relating to nonsubstantive additions to and corrections in enacted  
 13-39 codes.

13-40 SECTION 31. (a) Subject to Subsection (b) of this section,  
 13-41 this Act takes effect September 1, 2009.

13-42 (b) Sections 1, 2, and 18 of this Act take effect only if  
 13-43 House Bill 10 or another similar bill of the Regular Session of the  
 13-44 81st Legislature relating to the licensing of residential mortgage  
 13-45 loan originators is enacted and becomes law. If House Bill 10 or  
 13-46 another similar bill of the Regular Session of the 81st Legislature  
 13-47 relating to the licensing of residential mortgage loan originators  
 13-48 does not become law, Sections 1, 2, and 18 of this Act do not take  
 13-49 effect.

13-50

\* \* \* \* \*