

By: Longoria

H.B. No. 2656

A BILL TO BE ENTITLED

AN ACT

relating to exemptions from the Residential Mortgage Loan Company
Licensing and Registration Act.

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

SECTION 1. Section [156.2012\(b\)](#), Finance Code, is amended to
read as follows:

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

(1) be a depository institution exempt from this
chapter under Section [156.202\(a-1\)\(5\)\(A\)](#) [~~[156.202\(a-1\)\(4\)\(A\)](#)~~] and
chartered and regulated by the Office of the Comptroller of the
Currency, or be a subsidiary of the institution;

(2) provide a business plan satisfactory to the
commissioner that sets forth the person's plan to:

(A) provide education to its sponsored
residential mortgage loan originators;

(B) handle consumer complaints relating to its
sponsored residential mortgage loan originators; and

(C) supervise the residential mortgage loan
origination activities of its sponsored residential mortgage loan
originators;

(3) pay a registration fee in an amount not to exceed
\$500;

(4) designate an officer of the person to be

1 responsible for the activities of its sponsored residential
2 mortgage loan originators;

3 (5) submit a completed application through the
4 Nationwide Mortgage Licensing System and Registry together with the
5 applicable fee required by Subdivision (3) or Subsection (c);

6 (6) obtain preapproval from the commissioner that the
7 person meets the eligibility requirements for registration as a
8 financial services company; and

9 (7) not be in violation of this chapter, a rule adopted
10 under this chapter, or any order previously issued by the
11 commissioner to the applicant.

12 SECTION 2. Section [156.202\(a-1\)](#), Finance Code, is amended
13 to read as follows:

14 (a-1) The following entities are exempt from this chapter:

15 (1) a nonprofit organization:

16 (A) providing self-help housing that originates
17 zero interest residential mortgage loans for borrowers who have
18 provided part of the labor to construct the dwelling securing the
19 loan; or

20 (B) that has designation as a Section 501(c)(3)
21 organization by the Internal Revenue Service and originates
22 residential mortgage loans for borrowers who, through a self-help
23 program, have provided at least 200 labor hours or 65 percent of the
24 labor to construct the dwelling securing the loan;

25 (2) a mortgage banker registered under Chapter [157](#);

26 (3) any owner of residential real estate who in any
27 12-consecutive-month period makes no more than five residential

1 mortgage loans to purchasers of the residential real estate
2 [~~property~~] for all or part of the purchase price of the residential
3 real estate against which the mortgage is secured; [~~and~~]

4 (4) any owner of residential real estate who makes
5 residential mortgage loans for the residential real estate on which
6 no dwelling is constructed to purchasers of the residential real
7 estate for all or part of the purchase price of the residential real
8 estate against which the mortgage is secured, provided that the
9 loans are originated through a licensed and sponsored residential
10 mortgage loan originator; and

11 (5) an entity that is:

12 (A) a depository institution;

13 (B) a subsidiary of a depository institution that
14 is:

15 (i) owned and controlled by the depository
16 institution; and

17 (ii) regulated by a federal banking agency;

18 or

19 (C) an institution regulated by the Farm Credit
20 Administration.

21 SECTION 3. This Act takes effect September 1, 2017.