

Title 7, Texas Administrative Code

Part 1. Finance Commission of Texas

Chapter 2. Residential Mortgage Loan Originators Regulated by the Office of Consumer Credit Commissioner

The Finance Commission of Texas (commission) adopts amendments to §2.106 (relating to Denial, Suspension, or Revocation Based on Criminal History) and §2.202 (relating to Maintaining Contact Information), in 7 TAC, Chapter 2, concerning Residential Mortgage Loan Originators Regulated by the Office of Consumer Credit Commissioner.

The commission adopts the amendments to §2.106 and §2.202 without changes to the proposed text as published in the May 6, 2022, issue of the *Texas Register* (47 TexReg 2621).

The commission received no official comments on the proposed amendments.

The rules in 7 TAC Chapter 2 govern residential mortgage loan originators (RMLOs) regulated by the OCCC. In general, the purpose of the amendments to 7 TAC Chapter 2 is to implement changes resulting from the commission's review of the chapter under Texas Government Code, §2001.039. Notice of the review of 7 TAC Chapter 2 was published in the *Texas Register* on February 4, 2022 (47 TexReg 541). The commission received no comments in response to that notice.

The OCCC distributed an early precomment draft of proposed changes to interested stakeholders for review, and then held a stakeholder meeting and webinar regarding the rule changes. The OCCC

received no informal precomments on the rule text draft.

Amendments to §2.106 specify that the OCCC will receive criminal history information about an RMLO applicant through the NMLS system. Under Texas Finance Code, §180.055(a), the OCCC is authorized to consider an RMLO applicant's criminal history in determining whether to issue a license. Under Texas Finance Code, §180.054, RMLO applicants are required to submit fingerprints to NMLS, and the OCCC is authorized to use NMLS as a channeling agent for obtaining criminal history information. The amendments to §2.106(a) clarify that the OCCC receives criminal history information through NMLS.

Amendments to §2.202 specify requirements for RMLOs to maintain current contact information. Currently, §2.202 requires an RMLO to notify the OCCC if there is a change to the RMLO's address, name, or employer. Adopted subsection (a) specifies a 30-day deadline for providing updated information, similar to other OCCC rules that contain a 30-day deadline for licensees to provide updated contact information. Adopted subsection (b) explains that it is a best practice for RMLOs to regularly review contact information on file with the OCCC to ensure that it is current and correct, similar to other OCCC rules specifying this as a best practice. The OCCC requires current and correct information about RMLO licensees in order to carry out

its responsibilities under Texas Finance Code, Chapter 180.

The rule amendments are adopted under Texas Finance Code, §180.061, which authorizes the commission to adopt rules relating to criminal background checks for RMLOs, as well as rules relating to amending an RMLO license. In addition, Texas Finance Code, §180.004 authorizes the commission to implement rules to comply with Texas Finance Code, Chapter 180.

The statutory provisions affected by the adoption are contained in Texas Finance Code, Chapter 180.

Chapter 2. Residential Mortgage Loan Originators Regulated by the Office of Consumer Credit Commissioner

Subchapter A. Application Procedures

§2.106. Denial, Suspension, or Revocation Based on Criminal History

(a) Criminal history record information. After an applicant submits a complete application to NMLS, including a set of fingerprints, and pays the fees required under §2.104 of this title (relating to Application and Renewal Fees), the OCCC will investigate the applicant. The OCCC will obtain criminal history record information through NMLS [~~from the Texas Department of Public Safety and the Federal Bureau of Investigation~~] based on the applicant's fingerprint submission. The OCCC will continue to receive information on new criminal activity reported after the fingerprint information has been initially processed.

(b) - (f) (No change.)

Subchapter B. Operational Requirements

§2.202. Maintaining Current Information

(a) Requirement to maintain current information. An RMLO must maintain current information with NMLS. If any of the following items change, an [An] RMLO must notify the OCCC by filing a license amendment through NMLS within 30 calendar days after the RMLO has knowledge of the change [~~, if any of the following items change~~]:

- (1) address;
- (2) name; or
- (3) employer.

(b) Best practice. It is a best practice for RMLOs to regularly review contact information on file with the OCCC to ensure that it is current and correct.

Certification

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Issued in Austin, Texas on June 24, 2022.

Matthew J. Nance
Deputy General Counsel
Office of Consumer Credit Commissioner