



PROPERTY TAX LENDER ADMINSTRATIVE ACTION REPORT

September 1, 2017 – August 31, 2018

Overview

The OCCC has approximately 88 property tax loan licensees. During FY 2018, the OCCC issued six final orders for property tax loan related violations. The most common violation in this industry is failing to timely file an annual report. Of the six orders issued in FY 2018, five orders are for untimely reports and one order is for multiple violations and is summarized at the end of this report.

This report summarizes the statutes and rules that apply to the most common property tax loan violations. The report also describes the typical enforcement action taken by the OCCC to address each type of violation.

Untimely Annual Report

Texas law requires a property tax lender to file an annual report with the OCCC by May 1 of each year.¹ When a property tax lender fails to timely file its annual report, the OCCC issues an injunctive order requiring the lender to file future reports in a timely manner. If the lender continues to violate the reporting deadline, the OCCC may assess administrative penalties and initiate a license revocation action.

In FY 2018, the OCCC initiated five enforcement actions against property tax lenders for failing to timely file their annual report. Of the five enforcement actions, the OCCC issued an injunctive order to two property tax lenders for a first-time reporting violation. The OCCC assessed an administrative penalty against the remaining three lenders for a second reporting violation.

¹ Section 351.164 of the Texas Finance Code; Title 7, Section 89.404 of the Texas Administrative Code.

OCCC Case No. L17-00320

- **Name:** Ovation Services, LLC d/b/a Auto Ovation Lending (Master File Number 1400051369)
- **Background:** The OCCC initiated an action against Ovation Lending for the following violations: improper inclusion of home owner's insurance in principal amount of loan; improper inclusion of escrow funds in principal amount of loan; improper inclusion of per diem interest in principal amount of loan; improper inclusion of credit card fees in principal amount of loan; unauthorized post-closure costs included in principal amount of loan; failure to include the NMLS identifier number on advertisements; and quoting inaccurate percentage rates in advertisements and closing costs.

Disposition: Commissioner Pettijohn issued an Agreed Order requiring Ovation to discontinue all violations, refund all charges in violation of the Texas law to consumers, and pay a fine of \$3,100 to the OCCC.