



# OCCC

Office of Consumer  
Credit Commissioner



## Strategic Plan 2015 – 2019

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# Agency Strategic Plan

For Fiscal Years 2015 – 2019

by the

Office of Consumer Credit Commissioner

## Finance Commission of Texas

<u>Commission Member</u>	<u>End of Term</u>	<u>Hometown</u>
W. J. (Bill) White	February 1, 2016	Georgetown
Susan H. Burton	February 1, 2016	Addison
Victor E. Leal	February 1, 2018	Amarillo
Stacy G. London	February 1, 2020	Houston
William M. (Will) Lucas	February 1, 2018	Center
Cindy F. Lyons	February 1, 2016	El Paso
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APPROVED June 20, 2014

Signed:



Leslie L. Pettijohn  
Consumer Credit Commissioner

Approved:



W. J. (Bill) White  
Chairman, Finance Commission

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## State of Texas

### Vision

March 2014

Fellow Public Servants:

Since the last round of strategic planning began in March 2012, our nation's economic challenges have persisted, but Texas' commitment to an efficient and limited government has kept us on the pathway to prosperity. Our flourishing economic climate and thriving jobs market continue to receive national attention and are not by accident. Texas has demonstrated the importance of fiscal discipline, setting priorities and demanding accountability and efficiency in state government. We have built and prudently managed important reserves in our state's "Rainy Day Fund," cut taxes on small business, balanced the state budget without raising taxes, protected essential services and prioritized a stable and predictable regulatory climate to help make the Lone Star State the best place to build a business and raise a family.

Over the last several years, families across this state and nation have tightened their belts to live within their means, and Texas followed suit. Unlike people in Washington, D.C., here in Texas we believe government should function no differently than the families and employers it serves. As we begin this next round in our strategic planning process, we must continue to critically examine the role of state government by identifying the core programs and activities necessary for the long-term economic health of our state, while eliminating outdated and inefficient functions. We must continue to adhere to the priorities that have made Texas a national economic leader:

- ensuring the economic competitiveness of our state by adhering to principles of fiscal discipline, setting clear budget priorities, living within our means and limiting the growth of government;
- investing in critical water, energy and transportation infrastructure needs to meet the demands of our rapidly growing state;
- ensuring excellence and accountability in public schools and institutions of higher education as we invest in the future of this state and ensure Texans are prepared to compete in the global marketplace;
- defending Texans by safeguarding our neighborhoods and protecting our international border; and
- increasing transparency and efficiency at all levels of government to guard against waste, fraud and abuse, ensuring that Texas taxpayers keep more of their hard-earned money to keep our economy and our families strong.

I am confident we can address the priorities of our citizens with the limited government principles and responsible governance they demand. I know you share my commitment to ensuring that this state continues to shine as a bright star for opportunity and prosperity for all Texans. I appreciate your dedication to excellence in public service and look forward to working with all of you as we continue charting a strong course for our great state.

Sincerely,



Rick Perry  
Governor of Texas

## Mission and Philosophy

### Mission

Texas state government must be limited, efficient, and completely accountable. It should foster opportunity and economic prosperity, focus on critical priorities, and support the creation of strong family environments for our children. The stewards of the public trust must be men and women who administer state government in a fair, just, and responsible manner. To honor the public trust, state officials must seek new and innovative ways to meet state government priorities in a fiscally responsible manner.

Aim high...we are not here to achieve inconsequential things!

### Philosophy

The task before all state public servants is to govern in a manner worthy of this great state. We are a great enterprise, and as an enterprise, we will promote the following core principles:

- First and foremost, Texas matters most. This is the overarching, guiding principle by which we will make decisions. Our state, and its future, is more important than party, politics, or individual recognition.
- Government should be limited in size and mission, but it must be highly effective in performing the tasks it undertakes.
- Decisions affecting individual Texans, in most instances, are best made by those individuals, their families, and the local government closest to their communities.
- Competition is the greatest incentive for achievement and excellence. It inspires ingenuity and requires individuals to set their sights high. Just as competition inspires excellence, a sense of personal responsibility drives individual citizens to do more for their future and the future of those they love.

- Public administration must be open and honest, pursuing the high road rather than the expedient course. We must be accountable to taxpayers for our actions.
- State government has a responsibility to safeguard taxpayer dollars by eliminating waste and abuse and providing efficient and honest government.
- Finally, state government should be humble, recognizing that all its power and authority is granted to it by the people of Texas, and those who make decisions wielding the power of the state should exercise their authority cautiously and fairly.

## State Goals and Benchmarks

The following statewide priority goals and related benchmarks are particularly relevant to and provide guidance for the Office of Consumer Credit Commissioner (OCCC) in establishing its goals and objectives:

### Primary Goal: Regulatory

To ensure Texans are effectively and efficiently served by high-quality professionals and businesses by:

- Implementing clear standards;
- Ensuring compliance;
- Establishing market-based solutions; and
- Reducing the regulatory burden on people and business.

### *Benchmarks*

- Percent of state financial institutions and credit providers rated “safe and sound” and/or in compliance with state requirements
- Percentage increase in utilization of the state business portal

### Secondary Goal: Economic Development

To provide an attractive economic climate for current and emerging industries that fosters economic opportunity, job creation, capital investment, by:

- Promoting a favorable business climate and a fair system to fund necessary state services;
- Addressing transportation needs;
- Maintaining economic competitiveness as a key priority in setting State policy; and
- Developing a well-trained, educated, and productive workforce.

### *Benchmarks*

- Texas unemployment rate
- Median household income

### Tertiary Goal: General Government

To provide citizens with greater access to government services while reducing service delivery costs and protecting the fiscal resources for current and future taxpayers, by:

- Supporting effective, efficient, and accountable state government operations;

### *Benchmark*

- Total savings realized in state spending by making reports / documents / processes available on the Internet and accepting information in electronic format

## Agency

### Mission

The mission of the Office of Consumer Credit Commissioner (OCCC) is to regulate the credit industry and to educate consumers and creditors, fostering a fair, lawful, and healthy credit environment for economic prosperity in Texas.

### Philosophy

The OCCC promotes the highest principles of professional conduct and ethics; diversity; stewardship and conservation of funds; and limited yet effective regulation. The OCCC regulates non-depository financial service providers, either through registration or licensure, and its programs and services are based on a four-factor philosophy:

**Regulate** fairly, efficiently, and effectively, balancing the needs of both consumers and creditors by enforcing Texas credit laws and licensing qualified financial service providers;

**Educate** consumers of their rights, responsibilities and remedies and financial services providers of their rights and responsibilities;

**Communicate** collaboratively with and encourage communication among the financial services industry, consumer public, and the agency;

**Protect** and safeguard consumers against abusive, unfair, and deceptive lending practices.

### Overview & Key Responsibilities

Since Texas' existence as an independent republic, some form of consumer credit regulation has existed in the state. Since its creation in 1963, the OCCC has seen the depth and breadth of its regulatory oversight increase to encompass the expanding financial marketplace in Texas, each segment with its own unique and specific benefits and compliance concerns. The agency works to ensure that the non-

bank financial services industry that it regulates provides compliant financial products. Participants within this dynamic and diverse industry range from small, independent providers to international publicly-traded corporations engaging in an extensive array of financial transactions.

The agency works to ensure that this vast financial marketplace adheres to laws regulating financial transactions, as well as to educate both financial service providers and consumers about rights, responsibilities, and remedies associated with such transactions. The agency's regulatory authority is found in the Texas Finance Code §14.001 *et seq.*

The Finance Commission of Texas (Finance Commission) is an eleven-member governing board that oversees and coordinates the activities of three state agencies: Office of Consumer Credit Commissioner; Department of Savings and Mortgage Lending; and Texas Department of Banking. The agency's operating budget is approved by the Finance Commission, and all operating funds are received directly from regulated industries; revenues are used to fund direct and indirect costs. The agency matches revenues with expenditures to ensure that regulated entities are not charged more than is required to maintain operations and meet statutory mandates.

For fiscal year 2013, the agency's total expenditures were \$6.1 million, and 88% of the agency's expenses were for travel, salaries, and other employee benefits. The agency's fiscal year 2014 budget was developed based on:

- projected staffing models,
- projected licensee and financial service provider population levels,
- projected examination workload and frequency, and
- adjustments for deferred maintenance and information technology (IT) projects.

Further, the OCCC continues to implement new areas of regulation in response to new laws and legislative actions. The approved budget for fiscal year 2014 is \$8.1 million, which included a targeted increase to address compliance concerns in certain regulate areas and overall industry growth. As the OCCC continues to operate within the self-directed, semi-independent (SDSI) framework, its focus will remain on transparency, accountability, and stewardship.

Total approved staffing for the agency is 89 employees. Approximately 46.5% of the staff is financial examiners who perform on-site examinations of licensed entities under the agency's jurisdiction. A large percentage of the agency's operating budget supports the examination functions and this staff.

The agency protects consumers through its regulatory activities, coordinates educational efforts aimed at consumers and industry alike, and advises financial service providers as needed on compliance issues. Through partnerships with other regulatory agencies, not-for-profit organizations and creditors, the OCCC works to accomplish this charge.

Chapter 14 of the Texas Finance Code authorizes the Consumer Credit Commissioner to issue interpretations of the statutes, as approved by the Finance Commission. The OCCC serves as a valuable resource to financial service providers in this regard. This statutory interpretation authority benefits all financial industries, including depository institutions, because official interpretations in certain circumstances may provide the opportunity for a financial service provider to present an affirmative defense in litigation. Financial services providers frequently rely on agency interpretations, consultations, and informal advisory opinions for guidance when constructing financial transactions to comply with Texas laws. Since the OCCC was given interpretive authority in 1981, the agency has issued 137 interpretation letters. This authority has been instrumental in preserving and maintaining the integrity of the state's usury law and in limiting

unnecessary litigation. More recently, the agency has used the administrative rulemaking approach to address requests for interpretations.

Additionally, agency representatives provide assistance to industry stakeholders who request clarification of statutes that significantly affect operations of financial service businesses. Other services provided by the agency include assistance with consumer or industry concerns and inquiries and resolution of those concerns. The state legislature, leadership, and industry stakeholders are kept informed of the agency's regulatory activities and associated laws, rules, policies and practices of the agency.

### **Sunset Review**

The Finance Commission and the agencies over which it has jurisdiction were last reviewed by the 77th Legislature. The 83rd Legislature extended the agency's sunset date until September 1, 2019.

### **Collaboration with Organizations, Stakeholders, and State and Federal Agencies**

To execute its regulatory responsibilities and accomplish its mission, the OCCC recognizes the need to stay abreast of developments within the industries it regulates, as well as state and federal conditions. Through participation in and collaboration with other regulatory organizations, industry and consumer groups, and state and federal agencies, the OCCC is able to craft appropriate, well-balanced regulatory policy. Industry representatives, business association representatives, and other interested stakeholders are key players in this process and the agency values their input and expertise. The OCCC will continue this collaborative approach and aims to expand opportunities for industry and consumer involvement.

## External Assessment

### Key Economic Data and Forecasts for Texas

#### Job Growth

The state of Texas continues to outperform the national economy in many important indicators. For the fourth consecutive year, Texas has led the nation in job growth<sup>i</sup>, and “leads the nation in the creation of jobs at all pay levels.” Researchers further note that “Texas has produced hundreds of thousands of well-paying jobs across most industries since 2000, making Texas the top destination for domestic migrants since 2006.”<sup>ii</sup> The state’s unemployment rate continues to remain at or below the national rate, and has done so for eighty-four consecutive months.<sup>iii</sup>

State and National Economic Indicators		
	State	National
<b>Unemployment</b>	5.2%	6.3% <sup>iv</sup>
<b>Gross Domestic Product Calendar Year 2013</b>	Increased by 4.8% over Calendar Year 2012	Increased by 2.5% over Calendar Year 2012
<b>Consumer Confidence Index</b>	128.5 Increased by 35.5% over April 2013	83.0 Increased by 11.5% over April 2013

**Table 1: Comparison of national and state economic indicators as of April 2014.**

The Texas Comptroller of Public Accounts Economic Outlook reports that as of December 2013, the state had added an additional 641,400 jobs to the pre-recession peak of 10,635,700. In contrast, the nation as a whole had only recovered 87% of all pre-recession jobs lost.

#### Population

The strong local economy, combined with low taxes and less state regulation, has attracted businesses and workers alike. The U.S. Census Bureau estimates that 26.4 million people resided in the state of Texas as of July 1, 2013, representing a 5.2% increase from

April 2010.<sup>v</sup> The Federal Reserve Bank of Dallas estimates that the state’s population will increase to 52 million residents by 2047.<sup>vi</sup>

#### Auto Sales

Industry stakeholders have seen a continuing increase in the number of motor vehicles sold and financed within the state. They expect this trend to continue in concert with the economic recovery and number of individuals reaching the legal driving age. The OCCC has noted a continued increase in the number of motor vehicle sales finance licenses issued and renewed with an increase of 10.72% from December 2011 to December 2013; the net value of auto sales made within the state rose by 18.5% during the same time period.<sup>vii</sup>

#### Real Estate

The state of Texas continues to show positive growth in the real estate market. For the twelve months ending December 2013, 86,561 permits were issued for single family home construction translating to a 15% increase from the previous year.<sup>viii</sup> Existing home sales increased 10.8% from December 2012 to December 2013, with a median sale price of single family homes increasing 8.2% during this same time frame.<sup>ix</sup>

### Key Economic Data and Forecasts for the Nation

The United States (U.S.) economy has shown slow improvements since the economic fallout of 2008. Although economic growth has been positive, the U.S. will continue to face marginal economic challenges due to factors such as: the dismantling of the stimulus campaign by the Federal Reserve; attempts to lower growth of federal spending; additional increases in taxes; rising healthcare costs; and, ever-soaring energy costs.<sup>x</sup>

Economic conditions such as real gross domestic product (GDP), employment rates, and consumer

confidence indices are used to gauge the direction of the U.S. economy. The Real GDP for the U.S. has been positive over the past two years, and as of Fourth Quarter 2013, increased by 2.5%.<sup>xi</sup> On a national level, unemployment rates have steadily continued to fall from 8.8% in January 2012 to 6.6% in January 2014.<sup>xii</sup> And, the consumer confidence index was at 78.3 as of February 2014, which represents a 15.1% increase from February 2014.<sup>xiii</sup> With the positive growth shown both in the state and national economic indicators, the OCCC anticipates continued stable, moderate growth within the financial services industries it regulates.

## Regulatory Developments

### State-Level Legislation, Attorney General Opinions, and Local Ordinances

During the 83rd Legislative Session, several actions were taken that affect the OCCC's regulated industry participants and consumers alike. The degree of impact these pieces of legislation have upon those parties varies from slight to substantial.

#### Automotive Industry

In 2013, the Texas Legislature amended several Finance Code provisions regarding motor vehicle sales. HB 2459 limited the fee charged for a debt cancellation agreement to 5% of the retail installment contract's amount financed. HB 2462 allowed a motor vehicle retail installment contract to include a fee for membership in an automobile club. HB 2741 amended several provisions relating to the Texas Department of Motor Vehicles (TxDMV)—in particular, the bill repealed the previous \$5 limitation on the deputy service fee, replacing it with a provision authorizing TxDMV to set the amount of the fee.

#### Credit Access Business Industry

The credit access business (CAB) industry was first subject to licensing requirements in January 2012. The OCCC began accepting and approving licenses for CABs as early as December 2011 and issued 3,430 licenses during the first 12 months. The industry has remained stable in terms of the number

of locations from early 2012 through the end of calendar year 2013.

In 2013, several bills regarding CABs were filed in the Texas Legislature, but none of them ultimately became law. In particular, SB 1247 would have created several additional requirements for CABs, including income-based limitations on the amount advanced, limitations on the number of installments and limitations on the number of renewals.

Between 2011 and 2014, several Texas cities have adopted ordinances that provide additional requirements for CABs; the earliest effective date for any of the adopted ordinances was January 2012. The ordinances vary somewhat, but generally require CABs to obtain an annual registration with the city and allow the city to inspect certain records. The ordinances may also include substantive requirements similar to legislation proposed statewide, including limitations on the amount advanced and the number of renewals. According to the Texas Municipal League, fifteen cities have adopted ordinances: Austin, Balcones Heights, Bellaire, Bryan, College Station, Dallas, Denton, El Paso, Flower Mound, Garland, Houston, San Antonio, Somerset, Universal City, and West University Place.<sup>xiv</sup>

#### Regulated Loan Industry

In 2013, the Texas Legislature enacted SB 1251, which allowed the Finance Commission to set certain fees for regulated loans under Chapter 342 of the Finance Code. In particular, the bill allowed the Finance Commission to set the maximum amount of the administrative fee, a non-interest charge, for a loan under Subchapter E, and the maximum amount of the acquisition charge under Subchapter F. Before the law went into effect, the maximum administrative fee under Subchapter E was \$25, and the maximum acquisition charge under Subchapter F was \$10. With this legislative change, and using the data provided through annual reporting, the Finance Commission may now adjust maximum allowable administrative fees and acquisition charges through the administrative rulemaking process, allowing for

more responsive and timely adjustments to economic and industry competitive influences. The rules increasing the administrative fee and acquisition charge went into effect on September 5, 2013.

#### Property Tax Lienholder Industry

In 2013, the Texas Legislature enacted SB 247, which amended several provisions of the Finance Code and Tax Code regarding property tax lenders. The bill repealed a provision allowing property tax lenders to engage in nonjudicial foreclosure (effectively requiring lenders to use judicial foreclosure). The bill prohibited deceptive or misleading advertising, and requires property tax lenders to disclose certain additional information if they disclose a rate or charge in an advertisement. The bill imposed new requirements for payoff requests sent by other lienholders and payoff statements provided by the property tax lender. It required the Finance Commission to adopt forms for the payoff statement and the request for a payoff statement. Finally, the bill prohibited property tax loans in certain situations (e.g., where the borrower is 65 years of age or older and can claim a tax exemption, or where the taxes are neither due nor delinquent).

In other policy developments, the Texas Attorney General issued Opinion No. GA-0965 in 2012, which answered two questions regarding tax lien transfers. First, the Attorney General held that a tax assessor-collector does not have discretion to deny a tax lien transfer when the transferee complies with the Tax Code's requirements for a tax lien transfer. Second, the Attorney General held that closing costs and lien recording fees are secured by the special-lien priority of the transferred tax lien. The issued opinion provides additional assurance to property tax lien lenders of the security of their lien position, a position that affects the security lien priority of other lienholders.

#### Retail Creditors

In 2013, The Texas Legislature also enacted SB 1248, which allows the Finance Commission to set the maximum documentary fee in a retail installment transaction for the purchase of a motorcycle, motor-

driven cycle, moped, all-terrain vehicle, boat, boat motor, boat trailer, or towable recreational vehicle. Before 2013, the maximum documentary fee in these sales was \$50. With this legislative change, the Finance Commission may now adjust maximum allowable documentary fees through the administrative rulemaking process, allowing for more responsive and timely adjustments to economic and industry competitive influences. The new documentary fee rule for retail creditors went into effect on September 5, 2013.

#### Credit Card Surcharge

A merchant may not charge a higher-than-normal price when a buyer pays by credit card as opposed to another form of payment. In other words, merchants may not impose a penalty or surcharge on buyers for paying by credit card.

In 2013, the Texas Legislature enacted HB 2548, which gives exclusive jurisdiction to the OCCC to enforce the credit card surcharge prohibition. Under the amended law, the OCCC has investigation authority, enforcement authority, and authority to order restitution.

In addition to this legislation, the OCCC has seen several significant developments regarding credit card surcharges.

- In Opinion No. GA-0951 (2012), the Texas Attorney General held that the credit card surcharge prohibition does not apply to a uniform convenience fee that a seller imposes for all forms of payment.
- In a case entitled *In re Payment Card Interchange Fee & Merchant Discount Antitrust Litigation*, a class of merchants entered a settlement agreement with Visa and MasterCard under which the credit card companies agreed to remove certain no-surcharge rules from their agreements with merchants. The agreement does not, however, have any effect on state-law surcharge prohibitions such as in Texas'.
- In March 2014, a group of merchants filed a complaint in federal court against the

Attorney General and the Consumer Credit Commissioner (*Rowell vs. Abbott*) to enjoin enforcement of the credit card surcharge prohibition. The merchants argue that the prohibition is an unconstitutional violation of free speech and that it is void for vagueness, in violation of the First and Fourteenth Amendments to the U.S. Constitution.

The OCCC continues to enforce the prohibition on credit card surcharges in accordance with the Finance Code and pending a decision in the *Rowell vs. Abbott* case.

### Federal-Level Considerations

Some areas regulated by the OCCC are also highly influenced by actions at the federal level. The OCCC has been affected by developments within the consumer credit and mortgage lending industries since the passing of the Dodd-Frank Wall Street Reform and Consumer Protection (Dodd-Frank) Act in 2010 and rulemaking actions of the Consumer Financial Protection Bureau (CFPB) through 2013.

#### Dodd-Frank Wall Street Reform and Consumer Protection Act

The Dodd-Frank Act, signed into law in July 2010, was passed in response to the financial crisis of 2008. The act is a far-reaching financial reform that has and will continue to affect both the OCCC and its licensees. Several provisions in the Dodd-Frank Act are especially relevant to the OCCC's licensees as discussed below.<sup>xv</sup>

Because of the increase in the number of foreclosures, various mortgage reform bills and regulations have been enacted. Specifically, Congress passed legislation, the Secure and Fair Enforcement for Mortgage Licensing (SAFE) Act of 2008, which reformed consumer mortgage practices, and the Dodd-Frank Act.

#### Consumer Financial Protection Bureau

The Dodd-Frank Act created the CFPB, which established a single federal-level entity to regulate consumer protection in financial products and services. The CFPB shares concurrent jurisdiction

with the OCCC over some of the agency's regulated industries.

During the last two years, the CFPB has integrated mortgages under the Real Estate Settlement Procedures Act (RESPA) and the Truth In Lending Act (TILA).

The CFPB has recodified several consumer protection regulations, including Regulation B (which implements the Equal Credit Opportunity Act) and Regulation Z (which implements the TILA). The old versions of these regulations continue to exist and apply to certain entities that are not subject to the CFPB's authority (e.g., motor vehicle dealers that routinely assign contracts to acceptance companies).

The CFPB has also adopted several rules relating to residential mortgage loans, using its authority under the Dodd-Frank Act. In January 2013, the CFPB adopted a rule that provides the requirements for a lender to evaluate a consumer's ability to repay a mortgage loan. Lenders must comply with several underwriting factors, including verification of the consumer's income through reliable documents. If the loan meets certain additional requirements (e.g., the loan doesn't have any interest-only payments, points and fees are less than 3% of the loan amount, the consumer's debt-to-income ratio is less than 43%), then the mortgage is a "qualified mortgage," meaning that the lender will be presumed to have complied with the rule's ability-to-repay requirements. The CFPB has also adopted rules implementing new requirements for high-cost mortgage loans and mortgage servicers.

In March 2014, CFPB Director Richard Cordray stated that the CFPB was "in the late stages" of considering how to formulate rules regarding payday loans,<sup>xvi</sup> although it is uncertain when the rulemaking activity will begin and what specific aspects of payday lending these rules would address. It is anticipated that future rulemaking by the CFPB may affect, possibly significantly, one or more of the OCCC's regulated industries.

Although the CFPB has not adopted a rule on abusive practices, it has issued some informal guidance. In July 2013, the CFPB issued a bulletin identifying certain debt collection practices that it considered to be unfair, deceptive, or abusive. The practices include collecting amounts not expressly authorized by the agreement or permitted by law, failing to post payments timely, taking possession of property without the legal right to do so, revealing a consumer's debt to co-workers without the consumer's permission, and misrepresenting the amount or legal status of a debt. The CFPB will be watching these practices closely, and it could take enforcement actions against certain OCCC licensees that engage in these practices.

#### *Preemption of State Laws and Regulation*

The possible preemption of state laws is a continuing concern. The Dodd-Frank Act allows states to exercise certain authority over national banks and their subsidiaries. In particular, Section 1044 specifies that national bank subsidiaries are subject to state consumer financial protection laws—this section overrules the U.S. Supreme Court's 2007 decision in *Watters v. Wachovia Bank, N.A.*, which held that these laws were preempted when applied to national bank subsidiaries. These amendments affirm the ability of state agencies, including the OCCC, to enforce consumer protection laws that previously would have been preempted under the *Watters* decision.

The Dodd-Frank Act also authorizes the CFPB to determine whether state laws are preempted by certain federal laws, including TILA and RESPA. Generally, state laws are not preempted if they provide greater protection to consumers than federal law. So far, the CFPB has issued only one determination that a state law was preempted—it determined that Tennessee's unclaimed-property law for gift cards was preempted by the Electronic Funds Transfer Act. At this time, it is uncertain whether the CFPB will issue any preemption determinations relating to Texas law, and because of this uncertainty, it is also unclear what impact the CFPB's preemption authority will have on the OCCC.

The agency is committed to forming a collaborative relationship with the CFPB to develop effective policies that provide consistency and uniformity of CFPB regulations with existing Texas statutes and administrative rules. The agency currently participates in a taskforce working with the CFPB to develop a consumer complaint portal that allows for information sharing across the federal and state levels; the agency has also participated in concurrent examinations with the CFPB of licensed CABs.

#### **Future Considerations for the Agency and the Regulated Industries**

Regulatory changes and activities, whether at the state or federal level, have a varying impact upon the agency's operations and its regulated industries. The CFPB is engaged in rulemaking that may have broad and varying effects upon the CAB, motor vehicle sales finance (MVSF), regulated lenders, and property tax lien industries. What those impacts will be are yet to be determined.

The OCCC participates with multi-state workgroups to develop standardized consumer credit product examination tools and practices as well as standardized consumer complaint protocols and data collection methodologies. Once developed, these tools may be made available to state regulatory entities for use in their examination and consumer assistance activities. The Conference of State Bank Supervisors is coordinating non-depository regulator input to and participation in these workgroups. It is important that all interested stakeholders are represented appropriately as it relates to CFPB policy and rulemaking activities, especially as not all state consumer credit regulators are structured similarly and differences in jurisdictions and authority should be considered in the development of these tools and administrative rules. Prior to utilizing any of the tools, the OCCC would review the practices and methodologies for alignment with current and anticipated regulatory activities and authority.

As the CFPB adopts policy and administrative rules, the agency will work with stakeholders in identifying and communicating compliance issues within the

affected industries. Stakeholders have noted that state-level rulemaking processes provide a defined, structured approach toward compliance; this approach towards regulation removes ambiguity in many instances and provides a construct within which a consumer credit transaction is conducted. In contrast, rulemaking activities of the CFPB necessarily involve restricting conduct by lenders in transactions with higher finance charges. This type of regulation is distinctly different from state regulation which generally provides for sharp delineations like usury ceilings and prohibitions on fees. The CFPB is far from identifying all the types of transactions that it will be addressing with rulemaking. Currently, the OCCC may only speculate which industries will be the subject of CFPB rulemaking and how the industries will be affected by that rulemaking process. Additionally, CFPB rules may potentially include compliance requirements for short-term, small-dollar loans that broadly apply to many Chapter 342 loans and not just CAB transactions conducted under Chapter 393 of the Finance Code. The OCCC will continue to collaborate with the multi-state workgroups and to convey the elements – and at times uniqueness – of consumer credit products offered within the state of Texas so that a mutual understanding of these products is shared across regulatory bodies.

Specific state-level considerations include growth within the MVSF industry. Motor vehicle sales continue to increase year over year. With this growth, the OCCC anticipates the number of examinations and re-examinations will increase proportionally. Additionally, it is anticipated that outside proposals will be brought to the Legislature for mandatory dealer training and education for motor vehicle dealers. The OCCC anticipates continuing its partnership with TxDMV in providing additional and possible enhanced financing training to this industry group.

Given the uncertainty of future federal-level rulemaking and the resulting impact upon the agency's licenses, it is difficult to identify specific actions the agency must take at this time. However,

with any changes in the regulatory environment – whether at the state or federal level – the agency is identifying strategies for effective resource allocation; development of financial examiners to adapt to any changes in the regulatory environment; and, maintaining consistency in licensure and examination procedures, while still being able to consider unique elements or factors influencing a specific licensing or examination process.

## Information Technology and Consumer Transactions

Consumers have increased their use of the mobile devices, the Internet, and technology to check account balances, compare prices, enter into financial transactions, and make online or mobile payments.<sup>xvii</sup>

### Consumer Transactions

Financial service providers have capitalized on the attractiveness of online credit and consumer



Mobile devices have increasingly become tools that consumers use for banking, payments, budgeting, and shopping.

*Consumers and Mobile Financial Services 2013. March 2013. Board of Governors of the Federal Reserve System.*

financial products for both the consumer and the lender. Consumers are offered the privacy and convenience of transacting a loan or other credit option from their own home and providers are attracted to the ease with which these transactions can be conducted and

finalized. Entering into a loan online may be a swift or near instantaneous option for those who may find themselves in need of money fast. However, if the consumer is not diligent in understanding the terms of the product, this quick solution may become a costly solution in the end.

Privacy of consumers' sensitive personal identifying information is a critical issue in the advancing delivery of financial services. In a recent survey conducted by the Federal Reserve System,

consumers expressed concerns over the safety of such transactions stating they have “concerns about the security of the technology and...they simply don’t know how safe it is to use mobile banking” for managing personal finances and making payments.<sup>viii</sup> While financial service providers and regulators alike have made concerted efforts to protect consumer information, studies and recent challenges with the theft of consumer data suggest that consumers require more substantive and reliable information and assurances related to the security of data and transactions.

Another challenge within mobile and web-based environments is that of consumer awareness. In a borderless environment, consumers may not be aware of the location of lenders; the regulatory authority or entity for the product; the costs and fees associated with a financial service product; and the type of product being offered. While providing speedier processing of financial transactions, the absence of face-to-face or personal interaction with the financial service provider, may result in less than complete reviews of terms and conditions for the product, misunderstanding or misinterpretations of those terms and conditions, and potential assessment of additional costs or fees upon the consumer.

### Regulatory

Streamlining regulatory procedures, including licensing and registration, through the use of information technology is a strong priority for the OCCC.

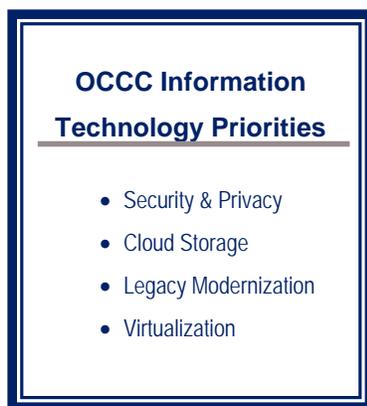
The agency has embarked upon a multi-phase project to modernize legacy systems. Specifically, the

OCCC has implemented an online, cloud-based licensing and registration system to provide for effective application processing, self-service

transactions, annual reporting, renewals, and online payment of fees. Additionally, the agency has standardized licensing forms across industries, and has provided fillable forms to support conventional methods (e.g. facsimile and postal or delivery service) for the receipt and processing of licensing and registration packages.

The agency continues to focus on the redesign of its examination and consumer assistance databases, and their integration within the agency’s Application, Licensing, Examination, and Compliance System (ALECS), so as to provide improved data management and retrieval, transparency, and accountability.

Another important area of emphasis for the agency is to continually review its IT policies and ensure effective security measures and protection of the industry and the consumer information.



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## Internal Assessment

The agency works to develop effective, collaborative relationships with its regulated industries, legislative offices, and consumer groups. Agency staff continually integrates the agency's mission and philosophy into the performance of their duties and strive to uphold the agency's reputation. The agency emphasizes customer service and relationship building across its regulatory, administrative, and stakeholder interactions. The OCCC recognizes its most valuable asset is its experienced, knowledgeable, and qualified staff who is committed to serving the citizens of Texas.

### Staff Development and Retention

As a small state agency, the importance of retaining qualified staff at all levels of the agency is paramount to the agency's continued success and operation. Retention is of particular importance within the financial examiner series. A significant portion of staff experience and expertise for examiners is primarily developed in-house and gained through professional development and career progression within the agency. The agency emphasizes training and development of employees to ensure successful job performance and has implemented developmental opportunities that provide career ladder progression and that allow for effective succession planning.

The agency has been authorized by the Finance Commission to employ 89 full-time equivalent employees (FTEs). The Austin headquarters is comprised of 46 positions, representing executive, administrative, and review examiner positions. The remaining 43 positions represent field and supervisory examiners, who are headquartered in various regions throughout the state.

Monitoring compensation levels in relation to comparable opportunities within the financial services market and similar positions within state agencies remains an important objective. During fiscal year 2012, equity, market, and performance-based adjustments were awarded to selected staff

positions within the administrative staff; equity, market, and performance-based adjustments were awarded to examiners during fiscal years 2011 and 2013. The agency will review salary competitiveness for administrative personnel during fiscal year 2014 and for examiners during fiscal year 2015 to ensure staff compensation levels reflect appropriate levels of competitiveness in comparison to similar state agency positions. Although the adjustments during the last two fiscal years have not completely alleviated turnover concerns, the agency's SDSI status allowed for these adjustments and have allowed for an improved compensation structure, avoidance of additional turnover within the agency, and higher job satisfaction.

Turnover within the financial examiner series has historically been higher than in other job classifications within the agency, primarily due to travel requirements associated with the examination function. Providing competitive salaries is a priority for the agency and compensation rates that match or slightly exceed the state averages for most job classifications.

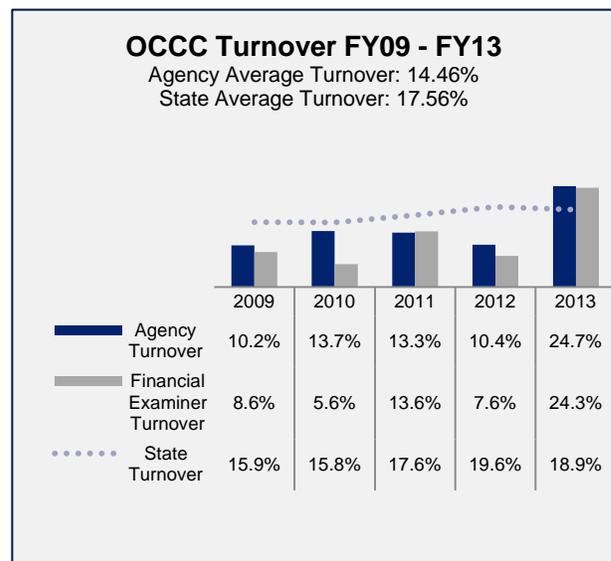


Figure 1: Agency turnover ratios, shown for financial examiner series and agency overall, as compared to state overall turnover ratio for previous five fiscal years.

Since 2009, the agency's average overall turnover ratio, representing all positions, has been 14.46%, with a majority of the turnover occurring within the examiner series. The average turnover ratio for examiners – excluding all other positions – during this same time period was 11.94%.

Compensation levels and travel requirements have been the most frequent reasons cited by departing employees, especially among the financial examiner classification. Additionally, several employees have retired from the agency in the last biennium.

In response to employee suggestions, evaluation of the recruitment and selection process, and review of exit survey information, the agency has improved retention strategies to reduce turnover and retain qualified employees. Examples of the agency's efforts include:

- Updates to career ladder path for Financial Examiner I – III series
- Development of career ladder path for License & Permit Specialist series (to be adopted by end of fiscal year 2014)
- Development of career ladder path for Investigator series
- Implementation of Alternative and Flexible Work Schedules

Currently, 53% of the agency staff has less than two years' tenure and regulatory experience. This high level of staffing at less than two years' tenure is a concern for the OCCC. The agency will target these qualified individuals for development and retention within the agency and their job classifications.

The agency recognizes the value of the knowledge and experience of its employees. Interested industry stakeholders also identified maintaining quality staff as a highly desired priority for its regulator. Due to the complex nature of the Texas regulatory structure and statutory system, professional staff often requires significant training and development over several years to fully develop as a regulator. The length of an employee's tenure is often representative of the depth of knowledge and levels

of experience that employee, or group of employees, possesses.

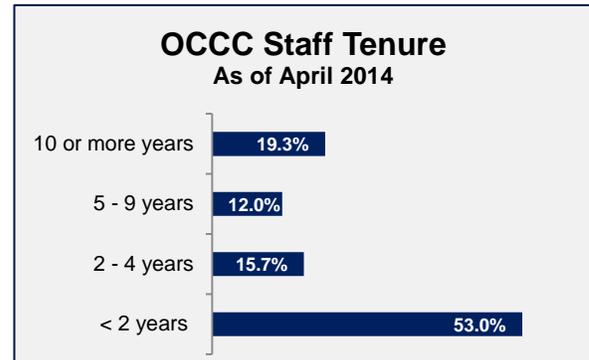


Figure 2: OCCC staff tenure, represented by years of agency service as of April 2014.

### Effects of Retirement

Fifteen employees are eligible for retirement within the next five years: three of those individuals hold key leadership positions and another nine positions represent mid- to senior-level financial examiner positions. Although the agency does not expect all individuals to exercise the option to retire, it is acutely aware of the need to retain knowledge, if not the individual, to ensure continuity in business operations and programs.

Ongoing professional development, personnel management, and succession planning continue to play a key role in the retention strategies and the agency's ability to respond timely to changing market and regulatory conditions.

### Staffing Needs

The agency has prioritized the need to attract, develop, and retain qualified employees to support its various regulatory activities, especially within the financial examiners series. To both build and strengthen its workforce, and to ensure effective service to stakeholders and the general public, the agency will implement several strategies that allow for professional and competency development, career progression, and the retention of experienced and tenured staff members. To achieve its overall goal of developing and retaining qualified staff, the agency will need to add a few additional financial

examiner and administrative positions to support current and future regulatory activities.

## Functional Divisions

The agency accomplishes its mission and regulatory activities through the programs and services of five functional areas: Consumer Assistance; Consumer Protection (Examination and Enforcement); Licensing and Registration; Financial Education; and Legal and Administration.

### Oversight

The Finance Commission is the supervisory and oversight body for the OCC. The commission consists of an eleven-member board appointed by the governor with members serving six-year staggered terms. The Finance Commission is comprised of two banking executives, a savings executive, a consumer credit executive, a mortgage industry representative, and six individuals from the general public.

The inclusion of the consumer credit executive as a member of the Finance Commission provides the consumer credit segment of the market a voice on the commission, balancing the commission's membership among all the types of regulated entities the Finance Commission oversees. The consumer credit executive presently serves as the Commission Chairman.

### Consumer Assistance

Access to consumer assistance for Texas consumers is a valuable resource and a significant benefit for consumers. Consumers receive assistance on a variety of topics from education about specific characteristics and regulatory control of financial services and consumer credit transactions to assistance in resolving complaints or concerns related to those transactions.

For fiscal year 2013, the agency received complaints primarily related to motor vehicle sales finance, CABs, and pawn and regulated lender transactions. Concerns expressed address contract terms, rescission of contracts, repossessions, application of

payments, replacement of lost or damaged goods, and collection practices.

Number of Complaints Processed		
	FY 12	FY 13
Motor Vehicle Sales Finance	936	994
Credit Access Business (Payday)	179	243
Pawn Shops	231	222
Regulated Lenders	278	222
Credit Access Business (Auto Title)	13	179
General Retail Finance	78	67
Mortgage Lenders	34	62
Debt Management/Settlement	28	26
Crafted Precious Metals Dealers	16	24
Property Tax Lenders	10	18
Manufactured Housing	21	15
All Others	32	17
<b>Total Complaints</b>	<b>1,856</b>	<b>2,089</b>

**Table 2: Number of Complaints Processed Fiscal Years 2012 and 2013.**

During fiscal year 2013, the consumer assistance staff responded to 37,082 consumer helpline calls and 204 email inquiries. In most cases, consumer assistance representatives and investigators are able to secure amicable outcomes for both the consumer and the financial services provider. In some instances, consumer assistance staff has been able to achieve similar outcomes and resolutions with entities not regulated by the agency.

### Consumer Protection

The consumer protection section is responsible for the examination of licensed lenders and other financial services providers and the investigation of unlicensed entities, licensees, and registrants. Integrating new responsibilities into existing examination processes and regularly evaluating and improving examination procedures continues to be essential to the department's operations. An examination is designed primarily to determine a licensee's compliance with both state and federal laws; however, the agency takes the opportunity to educate and inform licensees during the examination process. This approach benefits not only the licensee but the consumer and the agency. These benefits have been demonstrated through increased compliance levels within the MVSF industry.

The primary activities of the consumer protection staff are targeted towards effective and timely examinations and compliance levels. The time to complete an examination of a licensee, the level of complexity associated with the examined transactions, and the scheduled intervals for examinations vary by industry. The agency examines an average of 27% of its licensees on a fiscal year basis.

During an examination, the examiner will review a sample of transactions for compliance with certain state and federal laws and regulations. If non-compliant transactions are identified, the OCCC requires licensees to take appropriate corrective actions. Corrective actions may include 1) restitution paid directly to the consumer, 2) restitution made by crediting affected consumer accounts, 3) disgorgement of overcharged funds, or 4) provision of updated and corrected disclosures to affected consumers. The OCCC’s efforts have resulted in more than \$82 million returned to Texans over the last five fiscal years.

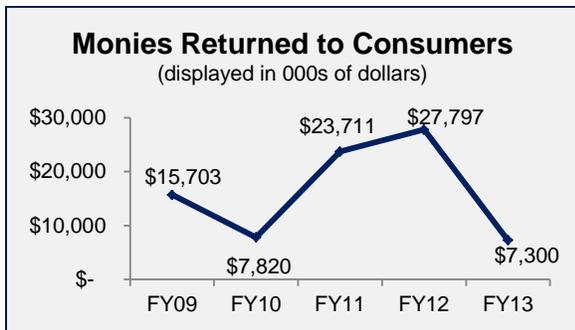


Figure 3: Dollar value of monies returned to consumers over the previous five fiscal years (displayed in 000s).

Industry Member Education

The agency is committed to raising compliance levels within all regulated industries and providing licensee education opportunities through industry workshops and conferences; industry specific webinars; and the development of online learning modules for the MVSF industry.

Additional online resources are developed for licensees and industry participants, which are focused on compliance and subjects related to

frequent inquiries or problematic compliance concerns.

**Licensing and Registration**

The licensing section processes all applications and registrations for the agency’s regulated industries.

Licensed	Registered
<ul style="list-style-type: none"> <li>• Motor Vehicle Sales Finance</li> <li>• Credit Access Businesses</li> <li>• Pawn Shops / Employees</li> <li>• Property Tax Lenders</li> <li>• Regulated Loan Lenders</li> <li>• Mortgage Loan Originators</li> </ul>	<ul style="list-style-type: none"> <li>• Crafted Precious Metal Dealers</li> <li>• Registered Creditors</li> <li>• Debt Management &amp; Debt Settlement Service Providers</li> <li>• Refund Anticipation Loan Facilitators</li> </ul>

Table 3: Overview of industries regulated by the OCCC.

Over the last two years, the agency placed an emphasis on the redesign and enhancement of its licensing and registration processes. Collaborating with industry stakeholders and software programmers, licensing staff worked to develop and implement a cloud-based licensing and registration portal that provides a more efficient and streamlined application processing system. In addition to reducing processing times, ALECS will allow industry members to manage their individual files and business information. Industry members are able to submit documents through ALECS and perform self-service transactions, including payment of fees and assessments. The agency will continue to develop the functionality of ALECS over the next two years allowing the integration of examination and consumer assistance activities to further support agency programs and services.

The OCCC’s licensee population continues to grow overall, although specific industries have experienced some decline due to changes related to new municipal ordinances limiting business practices or market pressures and adjustments.

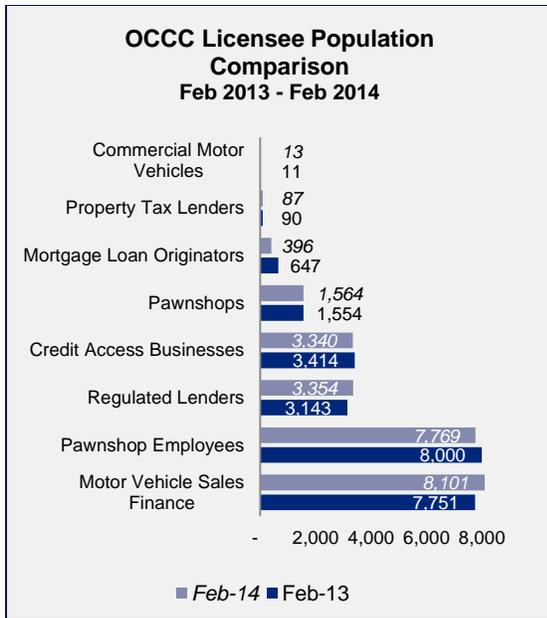


Figure 4: Licensee populations for Fiscal Years 2013 and 2014.

### Financial Education and Literacy

During each legislative session there is a call for increasing personal financial education in schools and with every session our state makes strides in developing better educated young consumers. As noted in the *2014 Survey of States: Economic and Personal Finance Education in Our Nation's Schools* conducted by the Council for Economic Education, Texas is one of several states that have incorporated specific financial skills development within the school curriculum. <sup>xix</sup>

#### K-12 Curriculum

The study highlights the expressed desire and recommendations of several organizations for developing and advancing financial education and capabilities. As the result of action taken by the 83rd Texas Legislature, state school districts must incorporate financial education and literacy components within school curricula. Elements that must be incorporated include the requirements that specific standards be implemented within the K – 12 curricula, that testing or learning assessments be conducted, and that economics and personal finance courses be offered at the high-school level.

#### Financial Education Collaborations

Throughout the year, OCCC education staff collaborates with various statewide organizations with programs that enhance financial literacy. In accordance Section 14.1025 of the Texas Finance Code, the OCCC continues to publish and update listings of statewide financial literacy and education resources in partnership with the Texas Health and Human Services Commission.

#### Texas Financial Education Endowment

The Texas Financial Education Endowment (TFEE), administered by the Finance Commission supports statewide financial capability and consumer credit building activities and programs. The endowment was enacted by the 82nd Legislature and became effective January 1, 2012.

The endowment is administered through the receipt of assessments from regulated entities and distribution of grant monies to selected organizations that promote and increase the financial capabilities of consumers. Financial coaching and counseling was emphasized during the 2013 grant cycle. This in-depth and customized approach to financial education engages consumers in ways that promote long-term changes in developing healthy consumer behaviors leading to tangible improvements in their financial health.

Program funding requests were solicited from organizations that strive to increase and promote financial capability of individuals and that encourage personal financial education and responsibility within the state of Texas.

In January 2013, thirty-three grant applications were received with a total request for \$1.1 million in grant funds by 27 eligible organizations. The Finance Commission awarded a total of \$250,000 in funds to eight organizations.

TFEE Grant Recipients – Fiscal Year 2014		
	<i>Area Served</i>	<i>Grant Amount</i>
<b>K-12 Financial Education &amp; Capability</b> (3 Awards)	Houston, Statewide	\$100,000
<b>Adult Financial Education &amp; Capability</b> (3 Awards)	Lufkin, Austin, Statewide	\$85,000
<b>Financial Coaching</b> (2 Awards)	Austin, Ft. Worth	\$65,000

**Table 4: Summary of Grant Awards for FY 2014, by grant category.**

Grantees submit data reports on a semi-annual basis. The data gathered from the reports will provide measurable results and data that assesses the success of the individual grantee program, and which can be used to identify future grant program opportunities to better serve Texas organizations and consumers. Experiences gained from administering the TFEE grant program will help refine approaches to financial education, creating a platform for continued growth and development in the field of financial education and capability.

### Legal and Administration

The legal department reinforces the agency's operation in fundamental ways. The OCCC's legal section not only handles enforcement, but also supports many of the agency's regulatory functions and is called upon to provide compliance information to the financial services industry as well. Although the OCCC does not regulate banks, savings institutions, or credit unions, the agency does maintain interpretive authority for relevant portions of Texas credit laws and the agency provides services to these industries by lending assistance and advice to them and their legal representatives.

Administrative and support services are provided through various section and departments within the agency to include: Finance & Accounting, Information Technology, Human Resources, and Communications.

Additionally, the three agencies under the Finance Commission are encouraged to share resources and personnel to reduce administrative costs and maintain cost efficiencies without detracting from the expertise needed in areas of individual agency

responsibility.<sup>xx</sup> Efficiencies have been attained among the agencies through interagency contracts and cooperation.

### Fiscal Aspects

The OCCC was designated as an SDSI agency by the 81st Legislature. Under the provisions of SDSI status, the agency's governing body sets the spending authority or limits for the agency. The Finance Commission establishes the agency's budget, which is supported by the revenue generated through regulatory activities.

Revenues are generated through the collection of license and registration application fees, renewal fees and assessments, charges for agency publications and administrative services, and examination charges. The OCCC's annual budget of approximately \$8.1 million provides the agency with the resources to have a significant impact on the regulation of non-depository financial services in Texas.

The OCCC maintains a self-leveling, self-funding status; licensing and registration fees are required to cover expenses and administrative costs associated with its regulatory role and mandates. The agency has consistently generated sufficient revenues to support the direct and indirect cost of operations and has regularly revises licensing fees, charges, and assessments in an attempt to accurately reflect the cost of providing effective regulation. The agency has regularly discounted, or reduced, fees for specific regulated industries to properly align revenues with expenditures for the respective industry segment. The most recent fee and assessment review was completed in Spring 2014.

With a history of being a well-managed and fiscally responsible agency, the OCCC has not encountered nor does it anticipate future challenges or operational issues due to the SDSI status. Rather, the agency believes this status presents opportunities and flexibility to become a more effective and higher performing agency.

The agency provides regular financial and operational reports to the state Legislature, the Office of the Governor, and the Legislative Budget Board as appropriate. Information related to operating plans and budgets, expenses and salaries is reported annually; additional biennial reporting is provided as appropriate, although much of the information contained is provided in the annual reporting as well.

As the OCCC continues to operate within the SDSI framework, its focus will remain on transparency, accountability, and stewardship. The agency continues to seek, through public hearings and stakeholder outreach, public and industry participation during the budgeting process. Year-to-year budgets are developed to accommodate additional costs necessary to support the agency's assessment for retired employees and attorney fees assessed by the Office of the Attorney General.

## Technology

With continuing changes in today's economy, the OCCC's technology solutions planned for the next five years will focus on:

- Cloud-based or online services for consumers and industry participants;
- Effective data integration and records management;
- Security and privacy; and,
- Computer equipment maintenance.

OCCC business operations and industry participants increasingly depend on web-based service and information delivery. And, OCCC customers continue to request additional electronic access to information and automated web-based services. To that end, the agency has focused on the development and implementation of an integrated IT system that provides the services desired by industry and staff alike. ALECS, a web-based application platform, was launched during the second quarter of fiscal year 2014. The system provides efficiencies for internal operational activities as well as the opportunity for industry

members to manage license and registration files through self-service options and public access.

In addition to ALECS, the agency continues to utilize a document management (optical imaging) system as its primary method to process, store, and deliver information, both to the public and to agency staff. Field examiners upload examination reports, investigation reports, and other documentation directly into the document management system (DMS). The use of the DMS allows agency personnel to retrieve and view the information contained in these files immediately after they have been submitted, from their desks through keyword searches. The OCCC shares its DMS with the two other Finance Commission agencies. Although much of the system hardware is shared, information and records are secure by each individual agency. As ALECS is further developed to integrate components of the examination and consumer assistance functions, the DMS will become a complimentary storage and retrieval system and less of the primary mode.

While the agency avails itself of technology advances, it relies on Department of Information Resources (DIR) and industry standards to protect the integrity, privacy and security of data resources. Maintaining network and Internet availability is crucial to routine agency operations and public access to information. The OCCC's current infrastructure has protected the agency from data loss and noticeable disruption; however, new technology creates new threats. The agency continuously monitors potential threats to its technology and data, responding to each concern appropriately.

The OCCC's internal network provides the tools necessary for daily operations and consists of four servers supporting 86 clients. All headquarters employees are provided with workstations and field examiners use similarly equipped portable computers. Examiners are able to upload and access information from headquarters remotely.

### Access

One of the OCCC's most important service deliverables is, simply, information. The Internet enables the OCCC to distribute this information quickly and without a large investment of resources. In this arena, the agency continues to make great strides. Staff has access to collaboration software for calendaring, conferencing, and other group processes.

The OCCC website ([www.occc.state.tx.us](http://www.occc.state.tx.us)) is updated regularly and provides access to agency information as well as relevant companion and partner sites (e.g. Secretary of State), application forms and systems, legislative updates, education materials, news releases, consumer assistance pages, and search features.

The availability of ALECS, as well as access to fillable forms and informational resources, has proven especially helpful to the Texas credit industry as licensees and applicants.

The agency is committed to providing relevant and timely information and resources to industry stakeholders and consumers alike. Since the last strategic planning process, agency staff has added several resource pages (e.g. FAQs) and consolidated related and similar information to enhance access. At this time and continuing through fiscal year 2015, the OCCC will continue reviewing and refreshing content, layout, and ease of navigation of its website.

The agency expects to provide more effective and efficient regulation through the continued use and integration of technology and IT solutions.

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<sup>xix</sup> Council for Economic Education. Survey of the States: Economic and Personal Finance Education in Our Nations' Schools 2014.8 May 2014. < <http://www.councilforeconed.org/wp/wp-content/uploads/2014/02/2014-Survey-of-the-States.pdf>>.

<sup>xx</sup> Section 11.204, Texas Finance Code.

## Goals and Performance Measures

### Goal A: Consumer Protection ---

To ensure prompt, fair, and effective enforcement of applicable state and federal statutes and regulations so that consumers are protected from abusive and deceptive practices, fraud, and misrepresentation.

#### *Objective*

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**A.1.** Resolve 95% of consumer complaints within 90 calendar days, except those requiring an on-site investigation.

#### *Strategy*

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**A.1.1.** Resolve consumer complaints expeditiously, identify problem creditors and industry practices, and advise creditors and consumers on their rights, remedies, and responsibilities.

#### *Outcome Measures*

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- Percent of written complaints resolved within 90 calendar days
- Monies or credits returned to consumers

#### *Output Measures*

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- Number of complaints closed
- Number of field investigations closed

#### *Explanatory Measure*

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- Number of Consumer Assistance helpline calls received

## Goal A: Consumer Protection

---

To ensure prompt, fair, and effective enforcement of applicable state and federal statutes and regulations so that consumers are protected from abusive and deceptive practices, fraud, and misrepresentation.

### *Objective*

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**A.2.** Strive to ensure a degree of compliance that results in 85% of examinations meeting acceptable levels of compliance.

### *Strategy*

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**A.2.1.** Examine regulated entities to determine the level of compliance with applicable statutes and regulations and initiate administrative enforcement action against licensees who commit violations.

### *Outcome Measures*

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- Percentage of examinations reporting acceptable level of compliance
- Monies or credits returned to consumers from licensees
- Percentage of licensees examined annually
- Percentage of re-examinations resulting in acceptable compliance rating

### *Output Measures*

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- Number of compliance examinations performed
- Number of enforcement actions taken
- Number of re-examinations performed

## Goal B: Effective Licensing & Registration

To provide a quality, streamlined program of licensing and registration that ensures high standards for licensed or registered financial service providers and effectively serving the market demand for fair but competitive and transparent consumer credit and financial services.

### Objective

**B.1.** To process business and pawnshop employee license applications within an average time of 30 days of receipt of a completed application.

### Strategy

**B.1.1.** Investigate and process applications for regulated entities and pawnshop employee licenses.

### Outcome Measures

- Average processing time (days) for license applications
- Average processing time (days) for pawnshop employee applications
- Average processing time (days) for residential mortgage loan originator applications

### Output Measures

- Number of business applications processed
- Number of pawnshop employee license applications processed
- Number of administrative hearings conducted
- Number of registrations processed
- Number of residential mortgage loan originator applications processed

### Explanatory Measures

- Number of regulated loan licenses
- Number of pawnshop licenses
- Number of pawnshop employee licenses
- Number of registrations processed
- Number of motor vehicle sales finance licenses
- Number of credit access business licenses
- Number of property tax lender licenses
- Number of residential mortgage loan originator licenses

## Goal C: Financial Literacy

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To educate consumers about their rights, remedies, and responsibilities and to encourage communication and cooperation between the non-bank financial services industry, the consumer public, and the agency.

### *Objective*

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**C.1.** Increase awareness by providing Texans with access to resources and financial education opportunities and by creating transparency regarding consumer transactions.

### *Strategy*

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**C.1.1.** Develop and administer formal education programs specific to the subprime demographic and include general information brochures made available through state agency partners, financial service providers and trade organizations, and through participation in community events.

### *Outcome Measure*

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- Number of Texas consumers reached through agency participation at community events, presentations, and online resources.

### *Output Measures*

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- Number of consumers receiving financial education
- Number of contacts made with community organizations and media outlets.

## Goal C: Financial Literacy

---

To educate consumers about their rights, remedies, and responsibilities and to encourage communication and cooperation between the non-bank financial services industry, the consumer public, and the agency.

### *Objective*

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**C.2** Administer the Texas Financial Education Endowment (TFEE) on behalf of the Finance Commission and establish a program that effectively supports financial education, capabilities, and asset-building opportunities, and deploys fund earnings distributions of 4.5%.

### *Strategy*

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**C.2.1** Solicit funding requests from organizations that strive to increase and promote financial capability of individuals, and encourage personal financial education and responsibility within the state of Texas.

**C.2.2.** Award endowment funds, through a competitive grant process that meets program objectives and goals as identified and prioritized for each grant cycle.

### *Outcome Measures*

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- Total dollar amount of grant awards distributed within the grant cycle.

### *Output Measures*

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- Number of consumers served/trained.

## Goal D: Effective Stakeholder Communication

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To educate financial service providers about their rights, remedies, and responsibilities and to encourage communication and cooperation between the non-bank financial services industry, the consumer public, and the agency.

### *Objective*

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**D. 1.** Increase licensees' and financial service providers' knowledge regarding rights, remedies, and responsibilities through access to compliance education opportunities and the publication of significant regulatory trends and challenges, enforcement actions, and advisory bulletins.

### *Strategy*

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**D.1.1.** Develop and deliver compliance education programs addressing regulatory controls related to lending, credit products, and financial services.

**D.1.2.** Develop integrated communication plan focused on engaging stakeholders through various channels including live presentations, webinars, publications, and advisory bulletins.

### *Outcome Measure*

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- Percentage of licensees reached through agency participation in industry workshops, seminars, conferences, and online compliance education programs.

### *Output Measures*

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- Number of public and industry media sources publishing compliance education material developed by the agency
- Number of advisory bulletins published
- Number of enforcement action and corrective action summaries published

## Goal E: Use of Historically Underutilized Businesses

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To establish and implement policies governing purchasing and public works contracts that foster meaningful and substantive inclusion of historically underutilized businesses (HUBs).

### *Objective*

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**E.1** To include HUBs in at least 20% of the total value of contracts and subcontracts awarded annually by the agency in purchasing and public works contracting by fiscal year 2013.

### *Strategy*

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- Develop and implement a plan for maintaining the current level of and increasing the use of HUBs through purchasing and public works contracts and subcontracts

### *Outcome Measure*

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- Percentage of total dollar value of purchasing and public works contracts and subcontracts awarded to HUBs

### *Output Measures*

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- Number of HUBs contractors and subcontractors contacted for bid proposals
- Number of HUBs contracts and subcontracts awarded
- Dollar value of HUB contracts and subcontracts awarded

## Technology Resource Planning

### Technology Assessment Summary

During the previous two fiscal years, the agency has focused on enhancing its use of technology to meet the demands of its regulated industries. The agency has implemented Phase I of its technology improvement plan with the implementation of ALECS. ALECS allows industry members and agency staff alike to manage licensing and registration files with more efficiency and reduced processing times, and provide many self-service options to the industry stakeholder. As the agency expands on its infrastructure over the next two years, integrating examination and consumer assistance functions into a structure that allows for more efficiencies and information sharing. The OCCC will continue to focus on broadening and strengthening online services and programs for its customers, industry participants and the general public.

The OCCC continues to focus its technology solutions with the purpose of:

- Strengthening and expanding the use of enterprise services and infrastructure;
- Securing and safeguarding technology assets and information;
- Serving citizens anytime, anywhere; and
- Pursuing excellence and fostering innovation across the enterprise.

The OCCC works with DIR to identify potential security threats or breaches and implementing effective protections and controls to prevent intrusions. Additionally, the agency continues to place an emphasis on computer equipment maintenance and ensuring the workforce has the tools needed to remain productive and responsive to the regulatory environment. To sustain productivity, the OCCC has regularly replaced desktop and laptop computers on a three-year replacement cycle and its network servers on a four-year cycle.

The OCCC operates in a mixed server environment, and has converted to Windows-based servers. The

agency will continue to assess appropriate systems and platforms for future technology needs.

### Strengthen and Expand the Use of Enterprise Services and Infrastructure

The agency continues to use TEX-AN for the majority of its data and telecommunications needs. The agency has begun implementation of services that provide additional bandwidth and higher-speed data access to allow for increased productivity across the workforce. The OCCC currently utilizes Texas.gov (state business portal) for specific license and registration activities, application and renewal processes, and has integrated online payment functionality within the ALECS infrastructure.

The use of DIR's cooperative contracts continues to be an important part of the OCCC enterprise services. These contracts allow for a more rapid response to technology needs without a prolonged procurement process and enable the OCCC to engage experienced firms at a reasonable price.

### Secure and Safeguard Technology Assets and Information

The OCCC implements strategies that align with the State Enterprise Security Plan. The agency provides monthly virus reporting to DIR and takes advantage of their annual penetration test as well as their Network Security Monitoring Service. In addition, DIR's education opportunities and best practices documentation are utilized by the agency to remain abreast of the latest advances in Information Technology.

### Serve Citizens Anytime, Anywhere

The OCCC currently has an extensive presence on the web and its website contains vast amounts of information allowing citizens to research all aspects of the agency. During fiscal year 2013, the agency added an FAQ (Frequently Asked Questions) web page to provide information to common regulatory inquiries and concerns. This page complements the resources, contacts and email accounts that

currently exist within the agency website. The OCCC will focus on the effectiveness of its web presence, the volume of information presented and accessibility to its customers. A major overhaul is projected for fiscal year 2015 to allow for enhancement of services currently provided and the integration of additional online services. Presently, Texans may ask questions across a spectrum of functional roles, submit consumer complaints, and submit open records requests.

During the redesign process the OCCC will supplement these services by developing and providing additional FAQs resources for each of its functional areas to address customer concerns, provide relevant information on recurring subjects, and to increase the response rate to consumers and industry participants. The agency will further identify opportunities to reach Texans and regulated industry participants through social media outlets to further reach customers in a manner that is convenient and effective for those consumers.

#### **Pursue Excellence and Foster Innovation across the Enterprise**

The OCCC has an extensive mobile workforce who routinely access and utilize resources remotely using available technologies. The OCCC is a small-size agency with limited technology resources and fiscal resources. Yet, the agency seeks to implement advantageous strategies offered through larger entities, such as DIR, to effectively support this mobile workforce and ensure productivity, efficiency and effectiveness.

## Technology Initiative Alignment

TECHNOLOGY INITIATIVE	RELATED AGENCY OBJECTIVE	RELATED SSP STRATEGY(IES)	STATUS	ANTICIPATED BENEFIT(S)
Database integration and implementation	All Objectives	All but P10	Ongoing	Improved efficiency and access to data
Replacement of old and outdated equipment	All Objectives	P4	Ongoing	Less downtime associated with keeping outdated computers running.
Explore opportunities to increase online services for industry users	All Objectives	P3	Ongoing	Reduces paper processing for agency and regulated entities and allows for effective stewardship of state and public funds
Enhance security of mobile computing environment	All Objectives	P9	Planned	Continue to further safeguard confidential information
Provide online access to public information listing of registrants and licensees	Goal B	P8	Ongoing	Increase public's access to information
Develop and implement social media presences	All Objectives	P10	Planned	Increase external communication and outreach

Table 5: Technology Initiative Alignment

## Appendix A: Agency Planning Process

### Strategic Planning Preparation

The OCCC develops its strategic plan with participation from the agency's senior leadership and staff representing all agency departments and divisions. The Strategic Planning Steering Committee (SPSC) is responsible for coordinating strategic planning activities and developing the agency's strategic plan.

The Strategic Planning Committee of the Finance Commission serves as advisors to agency for the planning process.

During fiscal year 2014, the commissioner convened a series of facilitated stakeholder meetings at which industry representatives and consumer advocates recommended specific actions, plans, or goals – both long- and short-term – for the OCCC's strategic focus. Similarly, the commissioner and members of the SPSC facilitated employee focus group sessions to gather feedback and input regarding current activities and trends related to the identified challenges and opportunities for the agency. This collaborative approach promotes communication within and outside the agency and provided context with which to develop the strategic plan.

The agency compared feedback from stakeholders and agency staff to identify commonalities and differences among the opportunities and challenges facing the agency and its regulated industries. Both groups identified the need to continue with IT enhancements that allow for efficient operations and processing for all parties. Additionally, both groups stressed the importance of developing and retaining staff to ensure continuity and expertise in the various activities of the agency.

### Budget Structure & Performance Measure Review

Each year, the OCCC reviews its budget structure to ensure its goals and mission align with regulatory and statutory responsibilities. The agency reviews its performance measures for substantive and non-

substantive changes, and agency staff develops definitions for new measures and modifies existing definitions accordingly.

Following evaluation of performance measures, recommended changes and modifications are presented to senior and executive leadership for final comment and approval.

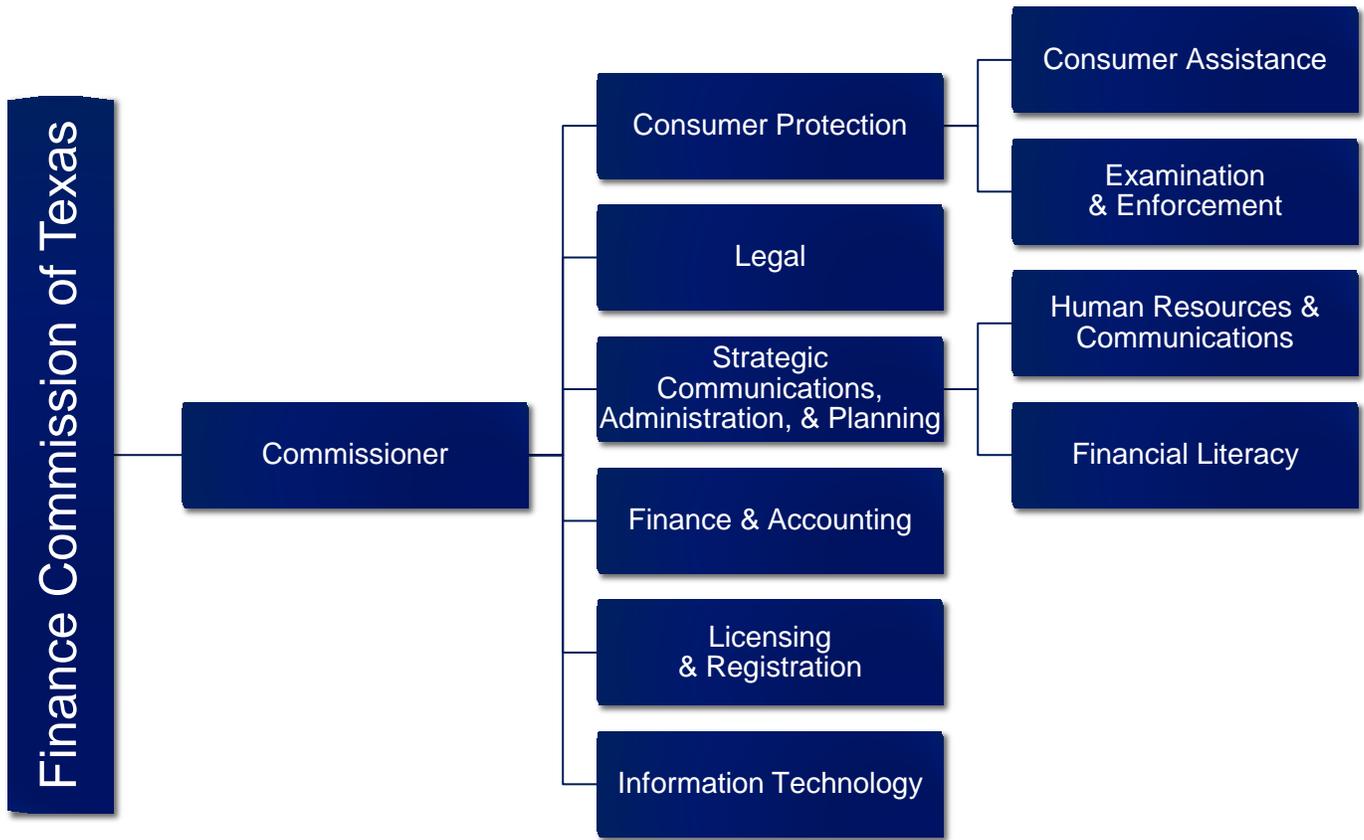
### Strategic Plan Approval

The SPSC worked with assembled information, considered future or anticipated changes, and consulted with management about the agency's vision, performance measures, and goals. Each element was researched and assembled into a draft plan for consideration by agency leadership and management.

A copy of the strategic plan was distributed to industry stakeholders and the agency liaison of the Finance Commission, as well as members of the SPSC for comment and further direction.

The agency submitted a final draft of the plan to the full membership of the Finance Commission for approval on June 20, 2014. Final, approved drafts of the strategic plan were submitted to the Legislature and appropriate governmental agencies the last week of June 2014.

## Appendix B: Organizational Chart



## Appendix C: Outcome Measures

Goal/Strategy Outcome	Description	2015	2016	2017	2018	2019
A-01-01	Percent of written complaints resolved within 90 calendar days	95%	95%	95%	95%	95%
A-01-02	Monies returned to consumers	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
A-02-01	Percentage of examinations reporting acceptable level of compliance	85%	85%	85%	85%	85%
A-02-02	Monies returned to consumers from licensees	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
A-02-03	Percentage of licensees examined annually	25%	25%	25%	25%	25%
A-02-04	Percentage of re-examinations resulting in acceptable compliance rating	80%	80%	80%	80%	80%
B-01-01	Average processing time (days) for license applications	30	30	25	25	20
B-01-02	Average processing time (days) for pawnshop employee applications	30	30	25	25	25
B-01-03	Average processing time (days) for residential mortgage loan originators applications.	15	15	15	15	15
C-01-01	Number of Texas consumers reached through agency participation at community events, presentations, and online resources.	300	325	350	350	350
D-01-01	Percentage of licensees reached through agency participation in industry workshops, seminars, and conferences	10%	10%	15%	15%	15%
E-01-01	Percentage of total dollar value of purchasing and public works contracts and subcontracts awarded to HUBs	20%	20%	20%	20%	20%

Table 6: Agency performance outcome measures for 5-year period.

## Appendix D: Performance Measure Definitions

### Goal A (Consumer Protection) - Outcome 1 (Key/Benchmark)

#### *Percent of Written Complaints Resolved in 90 Calendar Days*

**Short Definition:**

The percentage of written complaints received from consumers that are resolved within 90 calendar days.

**Purpose/Importance:**

The measure provides useful information for management purposes and is helpful for noting variances and determining resource allocation.

**Source/Collection of Data:**

Once a complaint is received (orally or written), Consumer Assistance staff members enter a record of the complaint within the complaint/investigation database. When a complaint is closed, notations are made indicating the closing date and disposition, as well as a specific statement of resolution noting the actions that resulted in the complaint's closing. If a complaint results in an on-site investigation, the complaint time period ceases on the date that it is converted into an investigation. The database calculates the number of days to close the complaint. A hard copy of the file and any documentation is filed alphabetically in the consumer assistance section within the month the complaint is closed. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

A percentage is obtained by dividing the total number of written complaints that were resolved in 90 calendar days or less by the total of all written complaints resolved during the reporting period. The calculation is automated within the complaint/investigation database. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

Consumers and financial service providers may not respond to the agency's requests for information, which results in an administrative closure of the complaint. This administrative closure occurs one month following the close of a month in which an information request has been unanswered. Additionally, the agency's personnel determine the merit or lack thereof in a complaint although a consumer or company representative may not agree; these complaints will be closed based upon the agency's regulatory analysis; however, a complainant or company representative may not always agree with the view that the complaint is closed.

**Calculation Type:**

Non-cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target

**Goal A (Consumer Protection) - Outcome 2*****Monies Returned to Consumers*****Short Definition:**

Monies returned to consumers as a result of agency intervention or action against financial service providers.

**Purpose/Importance:**

This measure provides a measure of the dollar value of monies returned to consumers by non-licensed financial service providers.

**Source/Collection of Data:**

Once a complaint (orally or written) is received, Consumer Assistance staff members enter a record of the complaint within the complaint/investigation database. Next, requests for information, the actions taken, and a summary of the complaint are documented in the database. After reviewing the transaction: 1) agency staff may recommend a corrective action as a resolution; or 2) a determination may be made that no violation of the statute has occurred and the consumer may be advised of other common law rights. The provider may make the correction, which may include a credit to the consumer's account or a direct refund. The correction is noted in the monetary field in the database and the complaint closed. This information is generated from the database, entered into a log, and a copy of the documentation is filed with the consumer protection section. By the 10th of the succeeding month, a report is submitted to executive management summarizing the activity.

**Method of Calculation:**

The amount of monetary corrections from non-licensees is summed. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

This measure is driven by complaints and by improper practices. The complaint volume and the compliance practices of these providers are generally not within the agency's jurisdiction. Copies or proof of actual refunded amounts may not be received in this office, but may simply be an amount stated by the creditor and conveyed to the consumer. The agency operates under the assumption that should the amount of the refund differ from that conveyed to the consumer, the consumer would call with an additional complaint.

**Calculation Type:**

Cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal A (Consumer Protection) - Output 1 (Key)*****Number of Complaints Closed*****Short Definition:**

Total number of complaints (oral and written), resolved and closed, by this agency.

**Purpose/Importance:**

This measure provides information on the number of complaints closed by the agency, whether they were closed administratively, as the result of resolution, or the need for an onsite investigation.

**Source/Collection of Data:**

When a complaint is received (orally or written), Consumer Assistance staff members enter a record of the complaint within the complaint/investigation database. Next, contact with the licensee may be initiated or a request for information from the consumer is made. The actions taken and a summary of the complaint are documented or coded in the database. When a complaint is closed, a notation is made in the database detailing the closing date, a specific statement of resolution expressing the action that resulted in the complaint's closing, and the number of processing days required to resolve the complaint is calculated by the database. A report is generated from the database and filed with the consumer protection section. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

The complaint/investigation database sums the total of all complaints in which the closing date in the database falls within the reporting period. The performance measure result will be reviewed and certified at least quarterly by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

When a consumer does not respond to requests for information, which is beyond the agency's control, the complaint must be closed administratively. This administrative closure will occur one month following the close of a month when an information request has been unanswered. Additionally, the agency's personnel determine the merit or lack thereof in a complaint although a consumer or company representative may not agree; these complaints will be closed based upon the agency's regulatory analysis, however, a complainant or company representative may not always agree with the view that the complaint is closed.

**Calculation Type:**

Cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal A (Consumer Protection) - Output 2 (Key)*****Number of Field Investigations Closed*****Short Definition:**

Total number of field investigations closed resulting from consumer complaints, agency identified alleged violations, or financial service provider complaints.

identifying the number of assigned and the number of investigations closed during the reporting period. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Purpose/Importance:**

The measure provides information relative to the number of field investigations closed, the length of time to close those investigations, and the final disposition of those investigations.

**Method of Calculation:**

The complaint/investigation database sums the number of investigations closed within the reporting period. The performance measure result will be reviewed and certified at least quarterly by a staff member not directly involved in the daily function of this task.

**Source/Collection of Data:**

Information is obtained from several sources that may trigger a field investigation: consumer complaints, agency identified alleged violations, or industry complaints. When a complaint is received (either orally or in writing), a record is entered into the complaint/investigation database. Additional information may be requested from the complainant or contact with the provider may be initiated to help resolve the complaint. The actions taken and a summary of the complaint are documented in the database. On occasion, field examiners or office staff may observe activities or obtain information that a company is not in compliance with state statutes. On these occasions, a field investigation may be assigned to obtain the necessary information for the agency to determine any actions required to bring the party into compliance. When a complaint rises to the magnitude to necessitate a field investigation, it is assigned to an investigator, entered into the complaint/investigation database, and an investigation tracking sheet is created. A report is generated from the database

**Data Limitations:**

This measure is driven in large part by complaints. The agency is unable to control complaint volume, level of compliance by the industry, or level of response by entities being investigated, all which directly impact the agency's performance on this measure. After reviewing the complaint and finding the complaint warrants an on-site investigation, investigations are assigned to investigators by the senior enforcement staff. The professional analysis of the senior enforcement team must be relied upon to make the appropriate allocation of resources. All investigation assignments and closures are reviewed and approved by the Director of Consumer Protection.

**Calculation Type:**

Cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal A (Consumer Protection) - Explanatory 1*****Number of Consumer Assistance Helpline Calls Received*****Short Definition:**

Total number of telephone calls received by the agency's helpline.

**Purpose/Importance:**

This measure provides information on the extent to which the agency was able to help Texas consumers and financial service providers contact the appropriate regulatory authority and obtain answers to questions relating to or other financial service transactions, or to resolve conflicts with the financial services industry. The toll-free helpline provides a method for free and quick access to the state regulatory authority.

**Source/Collection of Data:**

When a consumer calls the agency on the helpline, an automated call distribution system routes the call to a trained complaint specialist who may answer a simple inquiry, refer the caller to another regulatory agency, or take a complaint and proceed toward resolution. The automated call distribution system, produces activity reports which allow the agency to review activity and ensure consumers are efficiently routed to complaint specialists to effectively obtain the information they require. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

The sum of the daily totals for the reporting period from the automated call distribution system reports are entered into a monthly summary report. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

The automated reports may include calls from the industry, calls may be lost while waiting in queue, or calls may be received when the office is closed. Additionally, the numerous calls received on the agency's regular phone lines and not the agency's helpline are not included within the automated reports. Call volume is a direct result of a consumer's need for assistance and is outside the agency's control.

**Calculation Type:**

Cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal A (Consumer Protection) - Outcome 1 (Key/Benchmark)*****Percentage of Examinations Reporting Acceptable Level of Compliance*****Short Definition:**

The percentage of licensee examinations, during the reporting period, that received an acceptable compliance rating, as determined by guidelines set in agency policies.

acceptable level of compliance. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Purpose/Importance:**

This measure provides information on the extent to which licensees are in substantial compliance with the applicable state and federal laws. The agency's examination function provides a regulatory review of transactions and ensures compliance. These compliance examinations may result in monetary corrections to Texas consumers that cure violations of Texas laws.

**Method of Calculation:**

A percentage is obtained by dividing the total number of examinations processed with an acceptable level of compliance (as determined by the agency), by the total number of processed examinations during the reporting period. The calculation is automated within the licensing/examination database. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Source/Collection of Data:**

Examinations are scheduled on a recurring basis depending on the licensee's level of compliance; for example, a location where the most recent exam showed no violations of laws is rescheduled for examination less frequently than a location where violations were found. Once scheduled, an examination is conducted. Upon completion of the examination, the examiner will assign a rating signifying the licensee's overall compliance level. Agency personnel provide the licensee a report of findings and submit a copy of the examination report to the Austin office. Key information from the examination is entered into the licensing/examination database. The agency produces reports from the database reflecting the examinations processed and the examination ratings. The data from these reports is used to calculate the percentage of examinations reporting an

**Data Limitations:**

The agency's examiners make a determination of compliance levels and use a rating system to identify licensees with an acceptable or unacceptable level of compliance. These examination ratings are based upon the agency's regulatory analysis. This measure is driven by the level of licensee compliance.

**Calculation Type:**

Non-cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal A (Consumer Protection) - Outcome 2 (Key)*****Monies or Credits Returned to Consumers from Licensees*****Short Definition:**

The total dollar amount of restitution returned to consumers as a result of examinations involving licensees or investigated entities.

**Purpose/Importance:**

This measure provides information on the extent to which the agency helps Texas consumers reach fair and equitable solutions with the financial services industry in Texas. As part of its regulatory program, the agency performs compliance exams. When a licensee is found have made an error, the agency may require restitution to consumers either in the form of direct refund and restitution, credits on an account, or disgorgement of funds (typically associated with documentary fee violations).

**Source/Collection of Data:**

The return of monies may occur through the complaint process or through the correction of a finding during an examination. When a determination is made that a refund or credit is due to a consumer, agency staff will provide direction to the licensee. The agency records the return of monies to consumers from licensees in a log once the evidence of the refund is received by the agency. The monies are reported in the reporting period in which the examination or complaint is closed. The amounts are totaled from the log. This information is reported, and a copy of the documentation is filed in the consumer protection section. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

The amount of monetary corrections from licensees is summed. This would include amounts identified through complaints and through examinations. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

This measure is driven in large measure by the level of compliance of licensees. Refunds resulting from an examination will be documented by reviewing check copies or account numbers and the date of the refunds. If the number of accounts requiring refunds is substantial, sampling may be used to verify the cumulative refund totals.

**Calculation Type:**

Cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal A (Consumer Protection) - Outcome 3*****Percentage of Licensees Examined Annually*****Short Definition:**

The percentage of licensees examined annually.

**Purpose/Importance:**

This measure provides information on the extent to which the agency is able to effectively regulate the financial services industry in Texas. As a part of its regulatory program, the agency performs compliance examinations that often result in correction of licensee procedures. These examinations may also require restitution to consumers either in the form of credits on an account or in direct refunds.

**Source/Collection of Data:**

Examinations are scheduled and conducted. Once completed, a copy of the examination report is provided to the licensee and a copy is electronically transmitted to Austin. Information from the examination is entered into the licensing/examination database. The amount reported is the number of examination reports processed during the period divided by the total number of active licensees as calculated by the licensing/examination database. By the 10th of the succeeding month, a report is submitted to executive management

**Method of Calculation:**

A percentage is obtained by dividing the total number of examinations processed during a reporting period by the total of all active licensees as of the last day of the reporting period and then displayed as a percentage. The calculation is automated within the licensing/examination database. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

The number of active licensees changes continually. The percentage derived as of the end of each reporting period may be subject to slight misstatement should a large group of licenses be issued, canceled, or inactivated during the reporting period. Additionally, the measure is subject to the same data limitations of the output measure "number of compliance examinations performed".

**Calculation Type:**

Non-cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal A (Consumer Protection) - Outcome 4*****Percentage of Re-examinations Resulting in Acceptable Compliance Rating*****Short Definition:**

The percentage of licensees that obtain an acceptable level of compliance during the examination process after receiving an unacceptable level of compliance rating from the previous examination.

**Purpose/Importance:**

This measure provides information on the extent to which the agency was able to bring the licensees into compliance with the provisions of Texas' credit laws. Mandating corrective actions that result in compliance of a licensee previously identified as noncompliant is a key regulatory function that measures the agency's success as an effective regulator.

**Source/Collection of Data:**

When an examination is performed, an internal rating that establishes the degree of compliance a licensee has demonstrated is assigned. These compliance ratings are entered into the licensing/examination database. Licensees not in compliance are scheduled for re-examination after adequate time has elapsed for the licensee to comply with the examination report instructions. Once the re-examination is complete a compliance rating is determined, a report is provided to the licensee and a copy is transmitted to Austin. Licensees that have substantial compliance on the re-examination return to the normal examination interval. The licensing/examination database maintains information for the three most recent examinations, including examination compliance ratings. These fields are used to

extract reports for this calculation. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

A percentage is obtained by dividing the total number of re-examinations processed that result in an acceptable level compliance by the total number of re-examinations processed during the reporting period. This calculation is automated within the licensing/examination database. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

The measure is limited primarily by the licensee's response to the mandated corrective actions. The agency cannot control if or how a licensee implements the corrective actions. This measure relies on the regulatory analysis and training of the agency's examination staff in developing the compliance rating that is assigned.

**Calculation Type:**

Non-cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal A (Consumer Protection) - Output 1 (Key)*****Number of Compliance Examinations Performed*****Short Definition:**

The total number of examinations of licensees performed.

**Purpose/Importance:**

This purpose of this measure is to track the number of compliance exams conducted the agency staff during the reporting period. This measure provides useful information to management regarding variances and resource allocation.

**Source/Collection of Data:**

Examinations are scheduled and conducted. Once completed, a copy of the examination report is provided to the licensee and a copy is electronically transmitted to Austin. Examination reports are entered into the licensing/examination database and are verified by agency personnel. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

The licensing/examination database counts the number of examinations processed during a reporting period. The performance measure result will be reviewed and certified at least quarterly by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

Examinations are counted when the report is processed. The report is processed after it has been electronically transmitted to Austin and has been entered into the licensing/examination database. Examinations may not be conducted during the same month in which they are processed and counted.

**Calculation Type:**

Cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal A (Consumer Protection) - Output 2*****Number of Enforcement Actions Taken*****Short Definition:**

The total number of final orders in disciplinary type (enforcement) actions. These may include revocations, suspensions, administrative penalty assessments, administrative injunctions, reprimands, or cease-and-desist orders.

**Purpose/Importance:**

This measure provides information on the extent to which the agency effectively regulates the consumer financial services industry in Texas. When substantial non-compliance exists or failure to adequately respond to agency instructions or statutory requirements, an enforcement action may be necessary to obtain compliance with Texas laws.

**Source/Collection of Data:**

When an enforcement action is taken, the agency assigns a tracking number and the case is entered into a log in the legal section. As the case moves through the process, key dates (final order is recorded and the case closed) are entered on the log. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

The count of the entries in the log that are closed during a reporting period is totaled and reported. Final order dates are recorded as the closing date for all disciplinary actions including revocation, suspension, administrative penalty, administrative injunction, and a cease and refrain. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

Simply beginning an enforcement action may influence licensees as well as non-licensees to comply and to attain settlement with the agency. Not all enforcement actions result in a hearing and a final order.

**Calculation Type:**

Cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal A (Consumer Protection) - Output 3*****Number of Re-examinations Performed*****Short Definition:**

The total number of licensee examinations that received an unacceptable compliance rating, as determined by guidelines set in agency policies, on the prior examination and that has been re-examined.

**Purpose/Importance:**

This measure provides information on the extent to which the agency was able to bring licensees into compliance with the provisions of Texas law. Mandating corrective actions that result in compliance of a licensee previously identified as noncompliant is a key regulatory function that measures the agency's success as an effective regulator.

**Source/Collection of Data:**

When an examination is performed, an internal rating that establishes the degree of compliance a licensee has demonstrated is assigned. These compliance ratings are entered into the licensing/examination database. Licensees not in compliance are scheduled for re-examination after adequate time has elapsed for the licensee to comply with the examination report instructions. Once the re-examination is complete a compliance rating is determined, a report is provided to the licensee and a copy is transmitted to Austin. Licensees that have substantial compliance on the re-examination return to the normal examination interval. The licensing/examination database maintains information for the three most recent

examinations, including examination compliance ratings. These fields are used to extract reports for this calculation. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

The licensing/examination database sums the number of re-examinations performed during a reporting period. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

The measure is limited primarily by the licensee's response to the mandated corrective actions. The agency cannot control if a licensee implements or how they implement the corrective actions. This measure relies on the regulatory analysis and training of the agency's examination staff in developing the compliance rating that is assigned.

**Calculation Type:**

Cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal B (Licensing and Registration) - Outcome 1*****Average Processing Time (days) for License Applications*****Short Definition:**

The total average time (in days) to take final action on a license application.

**Purpose/Importance:**

This measure provides information on the extent to which the agency was able to efficiently process applications and fulfill its statutory responsibility to license and regulate the financial services industry in Texas.

**Source/Collection of Data:**

Applications are received either through 1) direct entry of information by the applicant into ALECS, or 2) receipt of paper-based forms, which requires manual entry into ALECS by agency staff. As applications are entered into ALECS and accompanying payments are recorded, each application is assigned a receipt date. When a final action (approval, denial, or withdrawal) is taken on an application, that action is entered into the database and a completion date is assigned to the application. ALECS produces a report based on the activity in the reporting period that totals the number of days from the receipt date to the completion date for all license applications with a final action during that reporting period. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

ALECS counts the total number of days from receipt date to completion date for applications having a final action during the reporting period. The database then sums the days and divides the total number of processing days by the number of applications processed during the reporting period. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

The activity in the industry, the volume of applications received, the timeliness of applicant responses to requests for additional information, and the ability of the agency to timely receive criminal history information from the Texas Department of Public Safety and the Federal Bureau of Investigations, all of which are unpredictable and outside of the agency's control, directly impact the agency's performance.

**Calculation Type:**

Non-cumulative.

**New Measure:**

No.

**Desired Performance:**

Lower than target.

**Goal B (Licensing and Registration) Outcome 2*****Average Processing Time (days) for Pawnshop Employee Applications*****Short Definitions:**

The total average time (in days) to take final action on a pawnshop employee license application.

**Purpose/Importance:**

This measure provides information on the extent to which the agency was able to process pawnshop employee applications efficiently and fulfill its statutory responsibility to license and regulate pawnshop employees in Texas.

**Source/Collection of Data:**

Applications are received either through 1) direct entry of information by the applicant into ALECS, or 2) receipt of paper-based forms, which requires manual entry into ALECS by agency staff. As applications are entered into ALECS and accompanying payments are recorded, each application is assigned a receipt date. When a final action (approval, denial, or withdrawal) is taken on an application, that action is entered into the database and a completion date is assigned to the application. ALECS produces a report based on the activity in the reporting period that totals the number of days from the receipt date to the completion date for all license applications with a final action during that reporting period. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

ALECS counts the total number of days from receipt date to completion date for applications having a final action during the reporting period. The database then sums the days and divides the total number of processing days by the number of applications processed during the reporting period. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

The activity in the industry, the volume of applications received, the timeliness of applicant responses to requests for additional information, and the ability of the agency to timely receive criminal history information from the Texas Department of Public Safety and the Federal Bureau of Investigations, all of which are unpredictable and outside of the agency's control, directly impact the agency's performance.

**Calculation Type:**

Non-cumulative.

**New Measure:**

No.

**Desired Performance:**

Lower than target.

**Goal B (Licensing and Registration) Outcome 3*****Average Processing Time (days) for Residential Mortgage Loan Originators*****Short Definitions:**

The total average time (in days) to take final action on a residential mortgage loan originator application.

**Purpose/Importance:**

This measure provides information about the processing time for individuals licensed in property tax lending, manufactured housing, secondary mortgage origination and servicing, and home equity industries regulated by the agency.

**Source/Collection of Data:**

An application for a new residential mortgage loan originator license is received through the nationwide mortgage licensing system (NMLS). When the application investigation is complete, a final action (approval or denial) is taken and the date of action is entered into NMLS. The system produces a report based upon activity in the reporting period that totals the number of days from the completion date to date of action for all license applications with a final action during the reporting period. By the 10<sup>th</sup> of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

The system provides reports where days outstanding can be calculated. The performance measure result will be reviewed and certified at least annually by staff members not directly involved in the daily function of this task.

**Data Limitations:**

The activity in the industry, the volume of applications received, the timeliness of applicant responses to requests for additional information, and the ability of the agency to timely receive pertinent information all of which are unpredictable and outside the agency's control, directly impact the agency's performance.

**Calculation Type:**

Non-cumulative.

**New Measure:**

Yes.

**Desired Performance:**

Lower than target.

**Goal B (Licensing and Registration) - Output 1 (Key)*****Number of Business Applications Processed*****Short Definition:**

The total number of licensing applications from regulated entities that have a final action taken.

**Purpose/Importance:**

This measure provides information on the extent to which the agency fulfills its statutory responsibility to license and regulate the financial services industry in Texas.

**Source/Collection of Data:**

Applications are received either through 1) direct entry of information by the applicant into ALECS, or 2) receipt of paper-based forms, which requires manual entry into ALECS by agency staff. As applications are entered into ALECS and accompanying payments are recorded, each application is assigned a receipt date. When a final action (approval, denial, or withdrawal) is taken on an application, that action is entered into the database and a completion date is assigned to the application. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

The licensing/examination database counts all applications that have had final action during the reporting period. The performance measure result will be reviewed and certified at least quarterly by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

The activity in the industry, the timeliness of applicant responses to requests for additional information, and the volume of applications received, which are unpredictable and outside the agency's control, directly impact the agency's performance.

**Calculation Type:**

Cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal B (Licensing and Registration) Output 2 (Key)*****Number of Pawnshop Employee License Applications Processed*****Short Definition:**

The total number of pawnshop employee license applications with a final action.

**Purpose/Importance:**

This measure provides information on the extent to which the agency was able to process pawnshop employee applications and fulfill its statutory responsibility to license and regulate pawnshop employees in Texas.

**Source/Collection of Data:**

Applications are received either through 1) direct entry of information by the applicant into ALECS, or 2) receipt of paper-based forms, which requires manual entry into ALECS by agency staff. As applications are entered into ALECS and accompanying payments are recorded, each application is assigned a receipt date. When a final action (approval, denial, or withdrawal) is taken on an application, that action is entered into the database and a completion date is assigned to the application. Upon an employee's termination from a pawnshop, a final action (withdrawal) is entered into ALECS and a date of action is assigned to the record. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

ALECS counts all applications with a final action during the reporting period. The performance measure result will be reviewed and certified at least quarterly by a staff member not directly involved in the daily functions of this task.

**Data Limitations:**

The activity in the industry, the timeliness of applicant responses to requests for additional information, and the volume of applications received, which are unpredictable and outside the agency's control, directly impact the agency's performance.

**Calculation Type:**

Cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal B (Licensing and Registration) Output 3*****Number of Administrative Hearings Conducted*****Short Definition:**

The number of hearings held before the administrative law judge. Hearings include contested cases on enforcement actions and application denials for registrations or licenses under the regulatory authority of the agency.

**Purpose/Importance:**

This measure provides information on the extent to which the agency's decision to deny a license or registration or take enforcement action was appealed in an effort to obtain third-party review.

**Source/Collection of Data:**

If an application is denied, an applicant has the right to appeal that decision within 30 days. Upon receipt of that appeal, a hearing is set within 30 to 60 days, depending on the type of application. That hearing allows an administrative law judge to review the application and make a recommendation to the commissioner for final approval or final denial of the application. These hearings are logged by the agency's legal section in a docket. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

When an appeal of a denial of an application is made, the agency assigns a tracking number and the case is entered into a log in the legal section. As the case moves through the process key dates are tracked on the log. The date of each hearing and any pre-hearing conference is recorded. The total of the appeals heard by the judge either in a pre-hearing or an actual hearing during the reporting period is calculated from the log. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

The activity in the industry directly impacts the agency's performance. Administrative hearings for appeals of license or registration applications are often dismissed or settled before a pre-hearing or an actual hearing occur.

**Calculation Type:**

Cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal B (Licensing and Registration) Output 4*****Number of Registrations Processed*****Short Definition:**

The total number of retail credit sales locations and holders registered with the agency at the end of the reporting period to include registered creditors, debt management and debt settlement service providers, crafted precious metal dealers, and refund anticipation loan facilitators,

**Purpose/Importance:**

This measure provides clarity about the size of one of the industries regulated by the agency. Creditors are those retail credit sellers that register with the agency and do not include the licensed entities regularly examined by the agency.

**Source/Collection of Data:**

When a creditor is registered, they are added to the appropriate registration database. Throughout the year new registrations are received, registrations are surrendered, and annually registrations are renewed. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

The registration database counts the number of registrations in force at the end of each reporting period. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

The activity in the industry directly impacts the agency's performance. This measure does not provide any information about asset size or business volumes of the industry.

**Calculation Type:**

Non-cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal B (Licensing and Registration) Output 4*****Number of Residential Mortgage Loan Originator Licenses Processed*****Short Definition:**

The total number of residential mortgage loan originator applications with a final action.

**Purpose/Importance:**

This measure provides information about the processing time for individuals in the property tax lending, manufactured housing, secondary mortgage origination and servicing, and home equity industries regulated by the agency.

**Source/Collection of Data:**

Applications for a new residential mortgage loan originator license are received through the nationwide mortgage licensing system (NMLS). When the application investigation is complete, a final action (approval or denial) is taken on the application and the outcome is entered into NMLS with the date of action. Upon notification of an applicant's status change, the date of action is entered. By the 10<sup>th</sup> of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

The nationwide mortgage licensing system counts all applications with a final action during the reporting period. The performance measure will be reviewed and certified at least quarterly by a staff member not directly involved in the daily functions of this task.

**Data Limitations:**

This activity and the volume of applications received, which are unpredictable and outside the agency's control, directly affect the agency's performance. When an applicant fails to respond to requests for information, the application must be closed through application abandonment. This is issued only after requests for information go unanswered.

**Calculation Type:**

Non-cumulative.

**New Measure:**

Yes.

**Desired Performance:**

Higher than target.

**Goal B (Licensing and Registration) - Explanatory 1*****Number of Regulated Loan Licenses*****Short Definition:**

The total number of regulated loan licenses currently in force at the end of the reporting period.

**Purpose/Importance:**

This measure provides clarity about the size of one of the industries regulated by the agency.

**Source/Collection of Data:**

Each regulated loan license approved is entered in the licensing/examination database showing the location and status of the license as either active or inactive. Annually, licenses are renewed and new licenses are approved throughout the year. Occasionally, a licensee may surrender a license. A report is produced from the database summarizing activity and current status of licenses. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

The licensing/examination database counts the number of licenses in force at the end of each reporting period. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

The activity in the industry directly impacts the agency's performance. This measure does not provide any information about asset size or loan volume size of the industry.

**Calculation Type:**

Non-cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal B (Licensing and Registration) - Explanatory 2*****Number of Pawnshop Licenses*****Short Definition:**

The total number of pawnshop licenses currently in force at the end of the reporting period.

**Purpose/Importance:**

This measure provides clarity about the size of one of the industries regulated by the agency.

**Source/Collection of Data:**

Each pawnshop license approved is entered into the licensing/examination database showing the location and status of the license as either active or inactive. Annually, licenses are renewed, and new licenses are approved throughout the year. Occasionally, a licensee may surrender a license. A report is produced from the database summarizing activity and current status of licenses. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

The licensing/examination database counts the number of licenses in force at the end of each reporting period. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

The activity in the industry directly impacts the agency's performance. This measure does not provide any information about asset size or loan volume size of the industry.

**Calculation Type:**

Non-cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal B (Licensing and Registration) Explanatory 3*****Number of Pawnshop Employee Licenses*****Short Definition:**

The total number of pawnshop employee licenses currently in force at the end of the reporting period.

**Purpose/Importance:**

This measure provides information about the number of individuals licensed and regulated by the agency in the pawn industry

**Source/Collection of Data:**

Each pawnshop employee license approved is entered into the pawnshop employee database. Throughout the year new applications are approved, licenses are surrendered, and annually licenses are renewed. A report is produced from the database summarizing activity and current status of licenses. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

The pawnshop employee database counts the number of licenses in force at the end of each reporting period. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

The activity in the industry directly impacts the agency's performance. This measure does not provide any information about asset size or loan volume size of the industry.

**Calculation Type:**

Non-cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

## OFFICE OF CONSUMER CREDIT COMMISSIONER

## Goal B (Licensing and Registration) Explanatory 4

*Number of Registrations Processed***Short Definition:**

The total number of registrations, currently in force, at the end of the reporting period.

**Purpose/Importance:**

This measure provides clarity about the size of one of the industries regulated by the agency.

**Source/Collection of Data:**

Each registration approved is entered in the licensing/examination database showing the location and status of the license as either active or inactive. Annually, registrations are renewed, and new registrations are approved throughout the year. Occasionally, a registrant may surrender a registration. A report is produced from the database summarizing activity and current status of licenses. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

The licensing/examination database counts the number of registrations in force at the end of each reporting period. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

The activity in the industry directly impacts the agency's performance. This measure does not provide any information about asset size or loan volume size of the industry.

**Calculation Type:**

Non-cumulative.

**New Measure:**

Yes.

**Desired Performance:**

Higher than target.

## OFFICE OF CONSUMER CREDIT COMMISSIONER

## Goal B (Licensing and Registration) Explanatory 5

*Number of Motor Vehicle Sales Finance Licenses***Short Definition:**

The total number of motor vehicle sales finance licenses, including registered offices, currently in force, at the end of the reporting period.

**Purpose/Importance:**

This measure provides clarity about the size of one of the industries regulated by the agency.

**Source/Collection of Data:**

Each motor vehicle sales finance license and registered office approved is entered in the licensing/examination database showing the location and status of the license as either active or inactive. Annually, licenses are renewed, and new licenses are approved throughout the year. Occasionally, a licensee may surrender a license. A report is produced from the database summarizing activity and current status of licenses. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

The licensing/examination database counts the number of licenses in force at the end of each reporting period. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

The activity in the industry directly impacts the agency's performance. This measure does not provide any information about asset size or loan volume size of the industry.

**Calculation Type:**

Non-cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal B (Licensing and Registration) – Explanatory 6*****Number of Credit Access Business Licenses*****Short Definition:**

The total number of credit access business licenses currently in force at the end of the reporting period.

**Purpose/Importance:**

This measure provides clarity about the size of one of the industries regulated by the agency.

**Source/Collection of Data:**

Each credit access business license approved is entered in the licensing/examination database showing the location and status of the license as either active or inactive. Annually, licenses are renewed and new licenses are approved throughout the year. Occasionally, a licensee may surrender a license. A report is produced from the database summarizing activity and current status of licenses. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

The licensing/examination database counts the number of licenses in force at the end of each reporting period. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

The activity in the industry directly impacts the agency's performance. This measure does not provide any information about asset size or loan volume size of the industry.

**Calculation Type:**

Non-cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal B (Licensing and Registration) - Explanatory 7*****Number of Property Tax Lender Licenses*****Short Definition:**

The total number of property tax lender licenses currently in force at the end of the reporting period.

**Purpose/Importance:**

This measure provides clarity about the size of one of the industries regulated by the agency.

**Source/Collection of Data:**

Each property tax lender license approved is entered in the licensing/examination database showing the location and status of the license as either active or inactive. Annually, licenses are renewed and new licenses are approved throughout the year. Occasionally, a licensee may surrender a license. A report is produced from the database summarizing activity and current status of licenses. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

The licensing/examination database counts the number of licenses in force at the end of each reporting period. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

The activity in the industry directly impacts the agency's performance. This measure does not provide any information about asset size or loan volume size of the industry.

**Calculation Type:**

Non-cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal B (Licensing and Registration) - Explanatory 8*****Number of Residential Mortgage Loan Originator Licenses*****Short Definition:**

The total number of residential mortgage loan originator licenses currently in force at the end of the reporting period.

**Purpose/Importance:**

This measure provides information about the number of individuals licensed in the property tax lending, manufactured housing, and secondary mortgage origination and servicing, and home equity industries regulated by the agency.

**Source/Collection of Data:**

Each residential mortgage loan originator license approved is entered in the licensing/examination database showing the location and status of the license as either active or inactive. Annually, licenses are renewed and new licenses are approved throughout the year. Occasionally, a licensee may surrender a license. A report is produced from the database summarizing activity and current status of licenses. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

The licensing/examination database counts the number of licenses in force at the end of each reporting period. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

The activity in the industry directly impacts the agency's performance. This measure does not provide any information about asset size or loan volume size of the industry.

**Calculation Type:**

Non-cumulative.

**New Measure:**

Yes.

**Desired Performance:**

Higher than target.

**Goal C (Financial Literacy) Outcome Measure 1 (Key)**

*Number of Texas consumers reached through agency participation at community events, presentations, and online resources.*

**Short Definition:**

Track the aggregate number of Texas consumers reached through participation at community events, presentations, and online resources.

**Purpose/Importance:**

This measure provides nominal feedback regarding Texas consumers reached through agency initiatives.

**Source/Collection of Data:**

Consumer Education staff, partners, and volunteers collect participant signatures during community presentations. Additional sources of data collection include: number of webinar registrants, newspaper circulation, and available web analytics.

**Method of Calculation:**

The numbers of participants are summed. The calculation will be reviewed and certified at least quarterly by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

The agency counts the attendees at each event where it participated and at which it provides educational information to those attendees. The agency also employs available metadata analytics to track how often a specific web page or resource is accessed; it is assumed all resources are wholly viewed or used when accessed by the licensee.

**Calculation Type:**

Cumulative.

**New Measure:**

No

**Desired Performance:**

Higher than target

**Goal C (Financial Literacy) Output 1 (Key)*****Number of Consumers Receiving Financial Education*****Short Definition:**

The aggregate numbers of consumers who attend direct education classes presented by the agency or partnering organization.

**Purpose/Importance:**

This measure provides information on the extent to which the agency or partnering organization was able to provide Texas consumers with financial education. It allows the agency and partnering organizations to focus on delivering more comprehensive and effective financial education to specific target audiences: elderly, students, and low-income groups. This information helps to create well-informed, educated consumers and empowers them to make good credit choices. Partnerships with other agencies efficiently broaden our capacity for statewide outreach.

**Source/Collection of Data:**

Agency personnel or partnering organizations receive invitations to speak to consumer groups throughout the year in small classroom settings. The agency or partnering organizations takes advantage of opportunities to directly provide information to consumers about the use of credit and their rights and responsibilities. The sum of attendees is tracked and calculated in an effort to determine our ability to provide financial education; and to determine the effectiveness of collaborating with other agencies.

**Method of Calculation:**

The total population who receive direct educational services from agency personnel or partnering organizations is taken from a monthly log maintained by staff and reported to executive management. The log is maintained in a notebook with all requisite supporting documentation attached. The performance measure result will be reviewed and certified at least quarterly.

**Data Limitations:**

The agency counts the attendees at events where the agency participated and provided educational information to those attendees.

**Calculation Type:**

Cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

### Goal C (Financial Literacy) Output Measure 2

#### *Number of contacts made with community organizations and media outlets*

**Short Definition:**

Track the aggregate number of contacts made with community contacts and media outlets.

**Purpose/Importance:**

This measure provides nominal information regarding community contacts with which we partner or collaborate with who will assist in statewide consumer outreach and financial literacy initiatives. This measure also identifies statewide financial literacy programs and resources available to consumers.

**Source/Collection of Data:**

Agency personnel receive invitations to participate in community-sponsored events, publish informational materials, public service announcements, resources and opportunities. The agency is also invited to collaborate with community organizations and state agencies. The agency takes advantage of those opportunities to directly provide information about regulated industries, consumer education, and available resources. The sum of contacts with whom we directly interact is tracked and calculated in an effort to determine our ability to provide consumer education and information.

**Method of Calculation:**

Consumer Education staff maintains an electronic record of all community contacts.

The numbers of community contacts are summed. The calculation will be reviewed and certified at least quarterly by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

The agency counts the number of published materials and invitations to participate or collaborate with community organizations and state agencies.

**Calculation Type:**

Cumulative.

**New Measure:**

Yes.

**Desired Performance:**

Higher than target.

**Goal C (Financial Literacy) Outcome Measure 1*****Total dollar amount of grant awards distributed within the grant cycle.*****Short Definition:**

The total dollar amount of grant awards distributed within the grant cycle.

**Purpose/Importance:**

This measure provides information on the total dollar amount of grants awarded during a grant cycle. This information measures the fund distributions to statewide programs providing financial capability and education.

**Source/Collection of Data:**

Upon Finance Commission approval of recommended awards recipients, the TFEE grant coordinator will maintain an electronic list of monetary distributions awarded during a given grant cycle.

**Method of Calculation:**

The TFEE grant coordinator will enter and update the information for each grant recipient on an electronic spreadsheet. The total dollar amount of distributions is summed and reported annually through an end-of-year report to the Finance Commission.

**Data Limitations:**

Distribution amounts could fluctuate depending on rates of return for monies deposited with the Texas Treasury Safekeeping Trust.

**Calculation Type:**

Cumulative

**New Measure:**

Yes

**Desired Performance:**

Higher than Target

**Goal C (Financial Literacy) Output Measure 1*****Number of consumers served/trained.*****Short Definition:**

The total numbers of participants attending grant funded activities.

**Purpose/Importance:**

This measure provides information on the extent to which the grantee was able to provide Texas consumers with financial education. This information helps to create well-informed, educated consumers empowered to make good financial choices.

**Source/Collection of Data:**

This agency will collect data from the semi-annual grant reports submitted by TFEE grantees. This information is reported to Grant Advisory Committee, Audit Committee, and Finance Commission and ensures grantees are meeting intended goals. This method of data collection gives an accurate depiction of the number of those who benefit from grant funded activities.

**Method of Calculation:**

Grantees submit periodic performance reports. The TFEE grant coordinator maintains an electronic record of all data reported by grantees and the number of consumers served or trained is summed. The calculation will be reviewed and certified by the Grant Advisory Committee.

**Data Limitations:**

Number of consumers served or trained is reported by grantees and collected by the grant administrator only during grant funding cycles. Once the grantee ceases to provide grant-funded program services or is no longer receiving grant funds, data is not reported to the grant administrator.

**Calculation Type:**

Cumulative

**New Measure:**

Yes.

**Desired Performance:**

Higher than target.

**Goal D (Effective Stakeholder Communication) Outcome 1(Key)**

***Percentage of licensees reached through agency participation in industry workshops, seminars, conferences, or online compliance education programs.***

**Short Definition:**

The number of licensees reached through attendance at in industry workshop, seminar, conference, webinar or online compliance education program.

**Purpose/Importance:**

This measure provides information on the extent to which the agency was able to provide regulated industry participants with compliance education using multiple approaches. This information creates well-informed licensed entities that are empowered to make business decisions that are compliant with state and federal statute and rulemaking.

**Source/Collection of Data:**

Agency personnel receive invitations to speak at industry workshops, seminars and conferences and will receive invitations to participate in similar events provided by other state agencies. The agency takes advantage of those opportunities to directly provide information to licensees about their rights and responsibilities, compliance information related to the examination and enforcement and roles of the agency. Agency personnel review results of examination, enforcement, investigative and consumer complaints to identify challenges or problematic areas related to regulatory compliance. This data to develop and deliver online, non-traditional education and compliance resources for industry participants. The sum of those we directly educate is tracked and calculated in an effort to determine our ability to provide compliance education. By the 10<sup>th</sup> of the succeeding month, a report is submitted to

executive management summarizing the activity.

**Method of Calculation:**

The total population who receive direct educational services or who access or receive online or non-traditional education and compliance resources from the agency is taken from a monthly log maintained by staff and reported monthly to executive management. The percentage is calculated by dividing the number of attendees by the number of licenses issued for that specific industry. The log is maintained in an electronic spreadsheet with all requisite supporting documentation maintained in a physical filing system. The performance measure result will be reviewed and certified at least quarterly by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

The agency counts the attendees at each event where it participated and at which it provides educational information to those attendees. The agency also employs available metadata analytics to track how often a specific web page or resource is accessed; it is assumed all resources are wholly viewed or used when accessed by the licensee.

**Calculation Type:**

Cumulative.

**New Measure:**

Yes.

**Desired Performance:**

Higher than target.

**Goal D (Effective Stakeholder Communication) Output 1*****Number of public and industry media sources publishing compliance education material developed by the agency.*****Short Definition:**

The total number of public and industry media sources which publish announcements about the agency or agency-distributed stakeholder information.

**Purpose/Importance:**

This measure provides information on the extent to which the agency was able to provide stakeholders with relevant information and industry updates to stakeholders. This information helps to create well-informed licensee base and keeps stakeholders abreast of regulatory or administrative policies, procedures. This measure also demonstrates the agency's outreach to stakeholders using multiple approaches.

**Source/Collection of Data:**

There are two ways this agency collects data: 1) signatures are collected from attendees while conducting fact-to-face classes. At the end of each fiscal year the total number of individuals that attended presentations and workshops is calculated. 2) As the agency publishes communications to its website or provides such communication and materials to public or industry media resources. This information is reported quarterly to executive management to ensure we are on track to reach our projected performance measures. This method of data collection gives an accurate depiction of the number of those who benefit from OCCC information and publications, and gives us an idea of which markets need and use our services most.

**Method of Calculation:**

After publication of the agency's communications (e.g., advisory bulletins, newsletters, articles, etc.), the entry of the activity is made in the monthly report. The total of the number of entries are counted. The performance measure result is reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

The agency counts the number of publications it directly provides to media sources for publication. Occasionally, an article concerning an agency issue or containing agency information that was not directly provided by the agency is published in a media source, and therefore is not counted. The agency cannot control who publishes information about the agency without purchasing advertising.

**Calculation Type:**

Cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal D (Effective Stakeholder Communication) – Output 2*****Number of advisory bulletins published.*****Short Definition:**

Total number of advisory bulletins issued and distributed to regulated entities which address common compliance problems or violations.

**Purpose/Importance:**

This measure provides information on the extent to which the agency helps the Texas financial services industry avoid systemic problems and common pitfalls when applying the credit laws. The bulletins provide an educational outreach from the regulatory authority to industry representatives that should help the industry avoid costly compliance mistakes and support the overreaching goal of consumer protection.

**Source/Collection of Data:**

When a regulatory bulletin is issued, a copy is filed with the consumer education section. Regulatory bulletins are issued at the request of the commissioner or upon recommendation of the enforcement staff and distributed either through licensing renewals as administrative action summaries, through a newsletter, or through a separate alert. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

The total of the compliance bulletins is computed by counting the number of bulletins issued during the reporting period. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

Bulletins are created by agency staff in response to potential or pervasive compliance issues that should be addressed directly by the industry. This measure is driven by improper creditor and licensee practices. Generally the practice of creditors that may be non-compliant is outside of the agency's control.

**Calculation Type:**

Cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

**Goal D (Effective Stakeholder Communication) – Output 5*****Number of enforcement action and corrective action summaries published.*****Short Definition:**

Total number of enforcement action and corrective action summaries issued and distributed to regulated entities and published on the agency website for the general public.

**Purpose/Importance:**

This measure provides information on the extent to which the agency helps the Texas financial services industry avoid systemic problems and common pitfalls when applying regulatory rules, statute, and credit laws to their business operations. The summaries provide an itemization of enforcement and correction actions initiated by the agency and imposed upon non-compliant financial service providers that should help the industry avoid costly compliance mistakes and support the overreaching goal of consumer protection.

**Source/Collection of Data:**

When an enforcement or corrective action summary is issued, the total is calculated from actions initiated through the agency's legal or consumer protection departments. Enforcement and corrective summaries are issued at least annually, at the request of the commissioner, or upon recommendation of the enforcement staff. The summaries are distributed either through licensing renewals as administrative action summaries, through a newsletter, or through publication to the agency's website. By the 10th of the succeeding month, a report is submitted to executive management summarizing this activity.

**Method of Calculation:**

The total of the enforcement and corrective action actions is computed by counting the number of actions initiated during the reporting period. The performance measure result will be reviewed and certified at least annually by a staff member not directly involved in the daily function of this task.

**Data Limitations:**

Summaries are created by agency management in response to enforcement or corrective actions initiated as a result of a financial service provider's noncompliance with statutory and regulatory requirements. This measure is driven by improper creditor and licensee practices. Generally the practices of creditors that may be non-compliant is outside of the agency's control the professional analysis of the management team must be relied upon to make appropriate determinations as to the number of actions initiated and enforced by the agency.

**Calculation Type:**

Cumulative.

**New Measure:**

No.

**Desired Performance:**

Higher than target.

## Appendix E: Workforce Plan 2013 - 2017

### Agency Overview

Since its creation in 1963, the OCCC has seen the depth and breadth of its regulatory oversight increase to encompass the expanding financial marketplace in Texas, each segment with its own unique and specific benefits and compliance concerns. The agency's mission is accomplished through five primary functional areas: Consumer Assistance, Examination and Enforcement, Licensing and Registration, Financial Education, and Legal and Administration.

As a small state agency, the importance of developing and retaining qualified staff at all levels of the agency is paramount to the agency's continued success and operation. A significant portion of staff experience and expertise for examiners is primarily developed in-house and gained through professional development and career progression within the agency. The agency places a priority on the professional development of its staff and is committed to developing a workforce that is prepared to respond and adapt to the dynamic nature of the financial service and consumer credit marketplace.

The OCCC competes with non-depository financial service providers, other state agencies, and federal regulatory agencies for its professional staff, especially within the financial examiner occupational series. The agency has been authorized to employ 89 FTEs, and as of May 2014 employs 86 individuals, with three existing vacancies. Currently 43 employees are headquartered in Austin at the State Finance Commission building; an additional 43 employees are stationed throughout the Houston, Dallas, and San Antonio regions.

To assist in reducing historical turnover within the financial examiner series, the agency has provided equity (market) and performance-based salary

adjustments for examiners during fiscal years 2012 and 2014. Adjustments were also provided to administrative staff within the agency during fiscal year 2012, and the agency will be conducting an additional market and performance-based reviews for these positions by the end of fiscal year 2014. The agency saw a decline in overall turnover beginning in fiscal year 2010 and continuing through fiscal year 2013; however, with the onset of the recovering economy, increased competitiveness of the private sector, and staff retirements, the agency saw its turnover rise to 24.7% during fiscal year 2013.

The agency has worked, and will continue to work, to reduce turnover and sustain a qualified workforce. The continued competitiveness of the private sector as well as opportunities available within federal regulatory agencies, attract qualified financial examiners. In an effort to remain competitive in this arena, the agency monitors and appropriately adjusts salary levels to ensure competitiveness across similar entities. The agency has sought to identify incentives and opportunities for staff members to include career progression ladders, alternative and flexible work schedules, enhanced processing of administrative documents, and professional development opportunities.

Providing better incentives and staff opportunities for development and career growth remain a priority for the agency. The agency continues to identify possibilities to reduce travel and encourage team approaches for its financial examiners, as well as providing for work/life balance across all departments in the agency. Continued improvements relating to infrastructure, functionality of office space, and better use of technology have created additional enhancements for work processes conducted by a growing, mobile and dispersed workforce.

### Workforce Plan Focus

Economic and environmental factors facing the OCC's staff over the next five years include: an improving economy, market competitiveness, turnover and retention of financial examiners, and retirement-eligible employees within the financial examiners series and administrative staff. The agency has already seen the influences of the recovering economy and the competitiveness it has provided within the financial services marketplace.

During fiscal year 2013, the agency felt the strongest impact of these effects with 10 financial examiners departing the agency: 60% obtained employment within the federal or private sectors, 20% transferred to the Texas Department of Banking, and the remaining 20% were dismissed from the agency.

Financial Examiner Turnover by Fiscal Year				
FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
8.6%	5.6%	13.6%	7.6%	24.3%

**Table 7: Turnover within Financial Examiner Series Inclusive of Interagency Transfers**

Currently, 18% of our financial examiners are eligible for retirement by fiscal year 2019. While the majority of these examiners would be eligible to retire under the Rule of 80 and it is not anticipated that all will retire within the next five years; all represent examiners within the Financial Examiner III through Financial Examiner VII series.

Additionally, individuals holding three key leadership positions within the agency are currently eligible for retirement. The agency anticipates that two of the individuals may retire within the next three fiscal years and is ensuring the appropriate development of staff to ensure effective succession planning and continuity within the agency's operations and programs.

### Factors Affecting Financial Examiner Retention

While the agency is committed to the retention of all staff, particular emphasis is placed upon the financial

examiner series. The agency expends considerable resources to develop its examiners. Competition with the private sector as well as with regulatory agencies such as the CFPB is expected to increase and retention of these individuals is vital to the effectiveness of the agency's regulatory programs. The agency regularly reviews its in-house training as well as external development opportunities and curricula to provide specific training related to regulated industries. A career ladder and progression program allowing for movement within levels I through III of the financial examiner series is providing opportunities for examiners to participate in projects and team-based work (e.g. out-of-state examinations) to further develop competencies and skill sets.

The goal of the agency is recruit and select quality candidates for entry-level financial examiners positions, to consistently and effectively develop those candidates for increased scope of responsibility, and to identify those who may be developed for future supervisory and leadership roles. The agency emphasizes the need to incentivize and retain those examiners within two to five years of agency service; to utilize them to assist in the training and development of entry-level examiners; and to integrate identified candidates into succession planning. The agency desires that 65% of its full-time employee staff to have agency tenure of at least five years.

The agency uses a competency- and knowledge-based approach towards the hiring of new employees to ensure that those selected possess abilities and inherent characteristics to support the fluid and dynamic nature of the agency's operations. Recruitment and selection processes have been improved during fiscal year 2013 to ensure that those selected may effectively perform both from a technical perspective and a customer relationship perspective. The agency includes a review of prior work experience in its screening process, as well as

consideration for bilingual and customer service skills.

Given the breadth of the financial services regulated by the OCC, and the distinctiveness of each industry and given examination, the agency's examination staff is primarily developed internally. Even those with previous financial services or related experience must master specific learning objectives, and at times, must relearn aspects of the industry from a regulatory perspective. As it typically takes one to three years to fully develop an examiner, the agency places as much weight on abilities as it does prior work experience.

The agency must continue to curb turnover within the lower financial examiner levels. Historically, the agency has experienced the highest levels of turnover within the Financial Examiner I and II levels. During fiscal year 2013, most of the separating financial examiners had less than five years of service with the agency. The agency will continue to focus on market competitiveness, effective recruitment and selections strategies, and retention to reduce turnover.



Figure 5: Turnover within the agency's financial examiners, by years of service, for the previous five years.

### Factors Related to the Aging Workforce

Demographic data from the U.S. Census Bureau shows an ageing working force with nearly 10,000 baby boomers reaching the age of 65 on a daily basis.<sup>xxi</sup> And, although many have delayed retirement to due to financial concerns and slower than expected economic recovery, it is anticipated that large numbers are still planning for retirement causing a gap between the number of employees

needed and the availability of entrants into the market.<sup>xxii</sup>

Within the next five years, 17.4% of the agency's staff is eligible for retirement.

- 66.7% of those eligible to retire represent Financial Examiner III and above.
- 40.0% of those eligible to retire are able to do so today.

This aging workforce and factors related to succession planning will become crucial to the agency as employees become eligible for retirement at the same time. In response to these trends, the agency is furthering the development of succession planning to ensure appropriate levels of knowledge, abilities, and competencies exist within the agency as these vacancies arise. Enhancements to internal training programs have been made – specifically within the financial examiner series – that allows for more effective and stratified capabilities across the staff.

Succession planning is a priority as retirement and other turnover factors arise within the agency. Preparing qualified staff to carry on the roles of senior management and leadership will require specialized training, internal development through mentoring and project assignment, and other educational opportunities to develop technical and managerial skills. The effectiveness of the agency's succession planning is predicated upon the retention and development of mid-level examiners to replace those moving into leadership roles as retirement and turnover occurs.

### **Increasing Diversity**

The agency is committed to emphasizing the need for workplace diversity and to strive for a workforce that effectively serves the demographic and racial composition of the population. Data from the 2010 census indicates growth within all demographic populations represented by the census. Data further showed the Hispanic population in Texas increased by 41.8% since 2000. The agency includes a preference for Spanish fluency as a qualification for all job postings. The agency has been successful in identifying candidates possessing these language skills, as well as others with differing languages.

### **Agency Mission**

The mission of the OCCC is to regulate the credit industry and educate consumers and creditors

fostering a fair, lawful, and healthy credit environment for economic prosperity in Texas.

Recruitment activities are focused on reaching the most qualified candidates possible and include:

- Participation in job and career fairs at universities throughout the state.
- Distribution of job announcements – in person and electronically – to community colleges, universities, and professional associations throughout the state.
- Posting of job announcements on public job boards.

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<sup>xxi</sup> Moeller, P. Challenges of an Aging Workforce, U. S. News online. June 19, 2013. 14 May 14, 2014.  
<<http://money.usnews.com/money/blogs/the-best-life/2013/06/19/challenges-of-an-aging-american-workforce>>.

<sup>xxii</sup> Ibid.

## Strategic Goals and Objectives

### Goal A: Consumer Protection

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To ensure prompt, fair, and effective enforcement of applicable state and federal statutes and regulations so that consumers are protected from abusive and deceptive practices, fraud, and misrepresentation.

#### *Objective*

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**A.1.** Resolve 95% of consumer complaints within 90 calendar days, except those requiring an on-site investigation.

#### *Strategy*

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**A.1.1.** Resolve consumer complaints expeditiously, identify problem creditors and industry practices, and advise creditors and consumers on their rights, remedies, and responsibilities.

#### *Outcome Measures*

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- Percent of written complaints resolved within 90 calendar days
- Monies or credits returned to consumers

#### *Output Measures*

---

- Number of complaints closed
- Number of field investigations closed

#### *Explanatory Measure*

---

- Number of Consumer Assistance helpline calls received

## Goal A: Consumer Protection

---

To ensure prompt, fair, and effective enforcement of applicable state and federal statutes and regulations so that consumers are protected from abusive and deceptive practices, fraud, and misrepresentation.

### *Objective*

---

**A.2.** Strive to ensure a degree of compliance that results in 85% of examinations meeting acceptable levels of compliance.

### *Strategy*

---

**A.2.1.** Examine regulated entities to determine the level of compliance with applicable statutes and regulations and initiate administrative enforcement action against licensees who commit violations.

### *Outcome Measures*

---

- Percentage of examinations reporting acceptable level of compliance
- Monies or credits returned to consumers from licensees
- Percentage of licensees examined annually
- Percentage of re-examinations resulting in acceptable compliance rating

### *Output Measures*

---

- Number of compliance examinations performed
- Number of enforcement actions taken
- Number of re-examinations performed

## Goal B: Effective Licensing & Registration

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To provide a quality, streamlined program of licensing and registration that ensures high standards for licensed or registered financial service providers and effectively serving the market demand for fair but competitive and transparent consumer credit and financial services.

### Objective

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**B.1.** To process business and pawnshop employee license applications within an average time of 30 days of receipt of a completed application.

### Strategy

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**B.1.1.** Investigate and process applications for regulated entities and pawnshop employee licenses.

### Outcome Measures

---

- Average processing time (days) for license applications
- Average processing time (days) for pawnshop employee applications
- Average processing time (days) for residential mortgage loan originator applications

### Output Measures

- Number of business applications processed
- Number of pawnshop employee license applications processed
- Number of administrative hearings conducted
- Number of registrations processed
- Number of residential mortgage loan originator applications processed

### Explanatory Measures

- Number of regulated loan licenses
- Number of pawnshop licenses
- Number of pawnshop employee licenses
- Number of registrations processed
- Number of motor vehicle sales finance licenses
- Number of credit access business licenses
- Number of property tax lender licenses
- Number of residential mortgage loan originator licenses

## Goal C: Financial Literacy

---

To educate consumers about their rights, remedies, and responsibilities and to encourage communication and cooperation between the non-bank financial services industry, the consumer public, and the agency.

### *Objective*

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**C.1.** Increase awareness by providing Texans with access to resources and financial education opportunities and by creating transparency regarding consumer transactions.

### *Strategy*

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**C.1.1.** Develop and administer formal education programs specific to the subprime demographic and include general information brochures made available through state agency partners, financial service providers and trade organizations, and through participation in community events.

### *Outcome Measure*

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- Number of Texas consumers reached through agency participation at community events, presentations, and online resources.

### *Output Measures*

---

- Number of consumers receiving financial education
- Number of contacts made with community organizations and media outlets.

## Goal C: Financial Literacy

---

To educate consumers about their rights, remedies, and responsibilities and to encourage communication and cooperation between the non-bank financial services industry, the consumer public, and the agency.

### *Objective*

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**C.2** Administer the Texas Financial Education Endowment (TFEE) on behalf of the Finance Commission and establish a program that effectively supports financial education, capabilities, and asset-building opportunities, and deploys fund earnings distributions of 4.5%.

### *Strategy*

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**C.2.1** Solicit funding requests from organizations that strive to increase and promote financial capability of individuals, and encourage personal financial education and responsibility within the state of Texas.

**C.2.2.** Award endowment funds, through a competitive grant process that meets program objectives and goals as identified and prioritized for each grant cycle.

### *Outcome Measures*

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- Total dollar amount of grant awards distributed within the grant cycle.

### *Output Measures*

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- Number of consumers served/trained.

## Goal D: Effective Stakeholder Communication

---

To educate financial service providers about their rights, remedies, and responsibilities and to encourage communication and cooperation between the non-bank financial services industry, the consumer public, and the agency.

### Objective

**D. 1.** Increase licensees' and financial service providers' knowledge regarding rights, remedies, and responsibilities through access to compliance education opportunities and the publication of significant regulatory trends and challenges, enforcement actions, and advisory bulletins.

### Strategy

**D.1.1.** Develop and deliver compliance education programs addressing regulatory controls related to lending, credit products, and financial services.

**D.1.2.** Develop integrated communication plan focused on engaging stakeholders through various channels including live presentations, webinars, publications, and advisory bulletins.

### Outcome Measure

- Percentage of licensees reached through agency participation in industry workshops, seminars, conferences, and online compliance education programs.

### Output Measures

- Number of public and industry media sources publishing compliance education material developed by the agency
- Number of advisory bulletins published
- Number of enforcement action and corrective action summaries published

## Goal E: Use of Historically Underutilized Businesses

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To establish and implement policies governing purchasing and public works contracts that foster meaningful and substantive inclusion of historically underutilized businesses (HUBs).

### *Objective*

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**E.1** To include HUBs in at least 20% of the total value of contracts and subcontracts awarded annually by the agency in purchasing and public works contracting by fiscal year 2013.

### *Strategy*

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- Develop and implement a plan for maintaining the current level of and increasing the use of HUBs through purchasing and public works contracts and subcontracts

### *Outcome Measure*

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- Percentage of total dollar value of purchasing and public works contracts and subcontracts awarded to HUBs

### *Output Measures*

---

- Number of HUBs contractors and subcontractors contacted for bid proposals
- Number of HUBs contracts and subcontracts awarded
- Dollar value of HUB contracts and subcontracts awarded

## Anticipated Changes in Strategies

The industries regulated by the OCCC operate within a dynamic financial service marketplace that adjusts to evolving products and business practices, market pressures, and changes in federal, state, and municipal regulation. The degree to which these influences will affect the agency's regulated population may vary and may contribute to changes within the agency's licensee population. The OCCC is currently working on strategies to align with anticipated CFPB policies and administrative rulemaking related to the collection and sharing of consumer complaint information and examination procedures. As the CFPB issues its policies and rules, the agency will assess the impact of those upon its

licensee population, administrative rules, and operating policies.

The OCCC seeks to recruit, develop, and retain employees with the skills and competencies required to support its regulatory activities. The agency will adjust staffing strategies to complement changes within the industries it regulates to ensure the agency's core functions are performed effectively and efficiently. The OCCC has placed an emphasis on career progression, competitive salaries, and succession planning. Strategies for each have been implemented within the previous two years and emphasize development and retention and reduced turnover.

## Supply Analysis – Current Workforce Profile

### Critical Workforce Skills

The agency currently employs 86 full-time employees with three vacant positions. The agency strives to identify, recruit and retain qualified employees to perform its regulatory activities. Several critical skills are essential to the effective

performance of the agency's core functions and its ability to operate; many of these skills are attained through a combination of education, agency-provided training, and experience.

#### Knowledge of or Experience in:

- Examination procedures and related state and federal financial protection laws for non-depository financial services entities covering multiple products and services
- State and federal regulatory controls, statutes, and administrative codes related to non-depository financial service products
- Analysis and reporting tools related to financial data and consumer credit products
- Corporate structures, business operating procedures, management control, and internal reporting techniques
- Financial industry terminology and practices
- Economic and accounting principles
- Statistical analysis and techniques
- Financial reports and reporting structures or mechanisms
- Training procedures and techniques
- Information Technology examination or auditing

#### Ability to:

- Analyze, interpret and apply a full range of legal, regulatory, and agency policies to resolve complex issues
- Apply appropriate mathematical reasoning and methodology related to financial service and consumer credit products
- Analyze and interpret statistical data
- Conduct research and develop regulatory compliance conclusions
- Conduct investigations
- Apply relevant rules, regulations, and statutes and employ inductive reasoning
- Draft clear and concise reports and correspondence
- Communicate effectively across various channels and mediums
- Coordinate projects for timely completion
- Respond to changes in a highly fluid and dynamic regulatory environment
- Establish and meet goals and objectives

**Workforce Demographics**

As of April 10, 2014, the OCCC’s workforce of 89 FTEs was comprised of 55% males and 45% females. Overall, 31% of the agency’s employees had more than five years’ service, and 53% had less than two

years’ service. The median age of agency employees is 37 and the average age is 40.

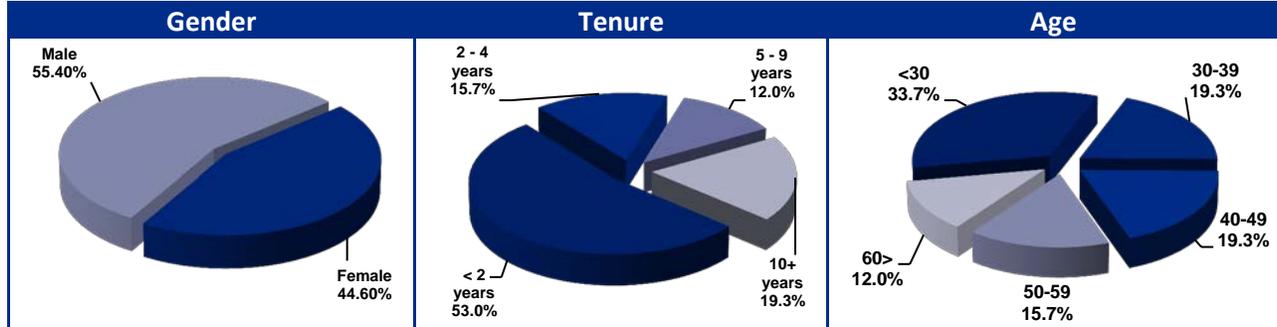


Table 8: Agency workforce demographics as of April 2014.

The following table compares the percentage of African American, Hispanic, and female OCCC employees as of August 31, 2013, to the statewide civilian workforce as reported by the Texas Workforce Commission Civil Rights Division, January

2013 Equal Employment Opportunity and Minority Hiring Practices Report. The agency works to ensure agency personnel effectively serve the diverse Texas population.

Job Categories	African American		Hispanic		Females	
	OCCC %	State	OCCC %	State	OCCC %	State
Officials, Administration (A)	0.00%	10.38%	50.00%	15.87%	50.00%	45.06%
Professional (P)	16.67%	16.60%	25.93%	22.57%	38.89%	60.09%
Technical (T)	0.00%	16.24%	0.00%	29.45%	100.00%	56.72%
Administrative Support (C)	13.34%	19.48%	20.00%	32.32%	80.00%	86.85%

Table 9: Agency workforce EEO profile as of April 2014.

**Employee Turnover**

Turnover is an important issue in any organization, and the OCCC is no exception. The agency has seen the turnover rates vary from a low of 10.3% in 2009 to a high of 24.7% in fiscal year 2013. The agency turnover rate remained below the state average except fiscal year 2013. The increased turnover during this past fiscal year was influenced in part by the recovering economy and competitive

opportunities that have become available in the private sector and in part by employee desires to balance personal demands with that of employment. The agency dismissed two financial examiners during fiscal year 2013 due to poor performance and inability to meet the requirements and work style characteristics needed to successfully perform those duties.

The agency currently has fifteen FTEs eligible for retirement during the next five years; nine represent mid- to senior-level financial examiner positions. The agency estimates a turnover rate of 13% for fiscal year 2014 and 9% for fiscal year 2015.

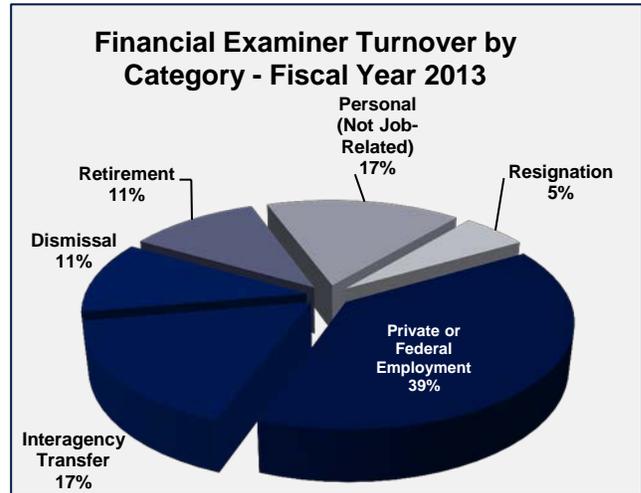


Figure 6: Categorization of financial examiner turnover for fiscal year 2013.

### Average Agency Turnover FY06- FY 13

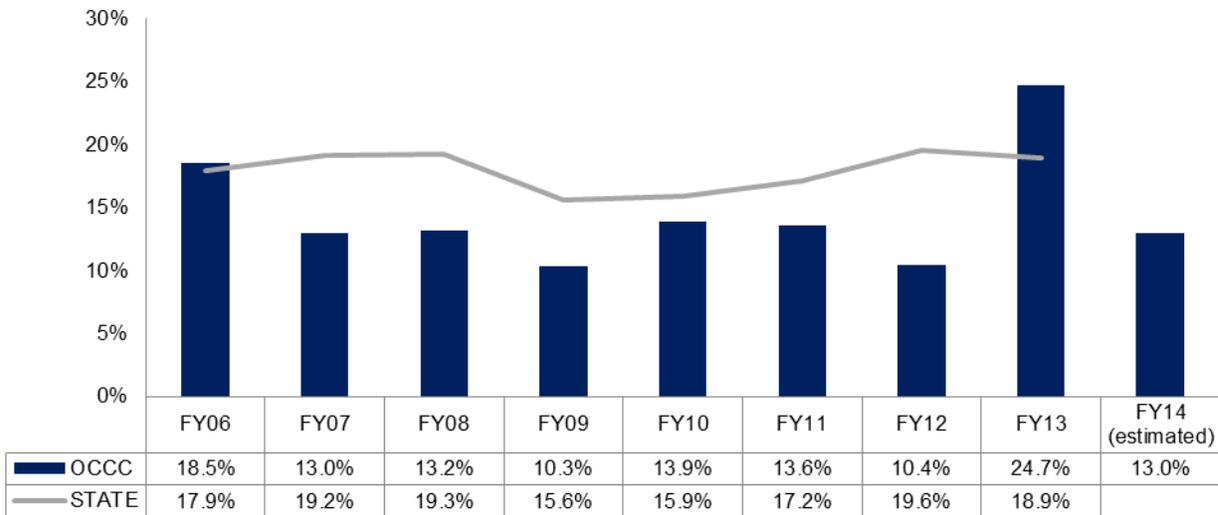


Figure 7: Comparison of agency and state turnover ratios for fiscal years 2006 through 2013, with estimated agency turnover for fiscal year 2014. Ratios include interagency transfers.

### Length of Service

During fiscal year 2012 agency turnover was represented primarily by those with agency service of less than 2 years of agency service (14.0%) and those with agency service of 5 – 10 years (15.1%). During Fiscal year 2013, the highest turnover rates were represented by those with less than 2 years of agency service (50.5%) and those with 2 to 5 years of agency service (40%).

The financial examiner series represents the largest component of the agency's workforce and is the most costly to the agency in terms of replacement costs. The agency provides specific professional training to individuals selected for these positions concentrated during the first three to five years of employment; activities which represent significant monetary and time commitments by the agency.

Comparison of Agency and State Turnover by Years of Service					
Length of Service Group	FY 2012		FY 2013		FY 2014 (estimated)
	OCCC	State	OCCC	State	OCCC
Less than 2 Years	14.0%	43.5%	50.5%	41.9%	30%
2 to 5 Years	7.3%	19.6%	40.0%	18.7%	10%
5 to 10 Years	15.1%	14.1%	14.3%	11.9%	20%
10 to 15 Years	10.0%	12.1%	12.5%	10.8%	20%
15 to 20 Years	0%	10.9%	0.00%	10.2%	102%
20 to 25 Years	0.0%	12.5%	16.0%	12.9%	10%

**Table 10: Workforce turnover ratios by years of agency service as compared to overall state turnover ratios for previous two fiscal years. Estimated turnover is provided for fiscal year 2014; turnover ratios include interagency transfers.**

### Age

The largest percentage for the agency's turnover in fiscal year 2013 occurred in the '30 – 39 years' age group, and occurred in the '60 – 69 years' age group

for fiscal year 2012. Turnover occurring in the age group for '60 – 69 years' was due to retirements during both fiscal years.

Length of Service Group	FY 2012		FY 2013	
	OCCC	State	OCCC	State
Under 30 years	5.8%	36.2%	20.3%	36.2%
30 – 39 years	14.5%	19.1%	37.5%	17.85
40 – 49 years	13.3%	12.9%	29.0%	11.6%
50 – 59 years	0.0%	15.2%	12.9%	14.5%
60 – 69 years	24.2%	23.3%	23.5%	22.6%
70 years and Over	0.0%	23.0%	0.0%	23.7%

**Table 11: Workforce turnover ratios by age as compared to overall state turnover ratios for previous two fiscal years. Turnover ratios include interagency transfers.**

### Retirement Eligibility

Although 17.4% of the agency's staff is eligible for retirement within the next five years, the agency does not believe retirement will account for a majority of separations during the immediate future. Effective implementation of strategies related to succession planning, recruitment, retention, staff development, and general sharing of the agency's knowledge bases are vital to the continued effectiveness, continuity, and adaptability.

The OCCC currently has a workforce reflective of the growth the agency has experienced over the previous two fiscal years. With 33.7% of the staff under the age of 30 and 53% with less than 2 years of agency service, the agency emphasizes strengthening the competencies and abilities of its existing workforce and building an effective workforce for the future.

### Demand Analysis - Future Workforce Profile

Assessing and determining the future requirements for the agency's workforce encompasses a broad range of duties, needed competencies and skills, and programmatic concerns. These issues have been identified through the agency's strategic planning process, interaction with industry stakeholders, and discussions with agency staff members. As the

agency's regulatory role adapts to an ever-dynamic and evolving consumer credit market, the agency will need qualified staff that can be developed to serve the industry and consumers in Texas in response to anticipated changes and growth across the agency's regulated industries.

#### Critical Functions

- Increased examination activity in response to the growth and evolution of consumer credit products.
- Increased collaboration with federal and state regulators.
- Increased collaboration with industry stakeholders.
- Increased demand in supervisory resources due to larger workforce and increased number of examinations.
- Increased review of electronic and web-based consumer credit products and the use of information technology at the regulated entity level.
- Development and retention of qualified professionals.
- Development and implementation of effective succession plans.

#### Expected Workplace Dynamics

- Increased use of technology to provide service and maximize efficiency.
- Increased use and development of subject matter experts.
- Increased investigations into unlicensed activity.
- Increased communication, collaboration, and partnerships with external stakeholders.
- Increased number of public information requests.



Using the above examination schedule, and considering the influencing factors noted above, the agency estimates that four additional field examiners are required to optimally perform examination and supervision activities, raise compliance levels, and bring examination intervals within the stated guidelines for the regulated industries. This estimation identified a gap of four field examiners within the financial examiner job classification.

The agency has currently filled all vacant field-based financial examiner positions, whether the vacancy occurred through turnover or newly added positions for fiscal year 2014. Recruitment efforts will focus on recruiting four additional entry-level financial examiners, if approved through the budget process, and on identifying and selecting a training coordinator (newly added position for fiscal year 2014) who will work to ensure effective and timely training and development of lower to mid-level financial examiners. The agency will continue to monitor staffing levels and needs within the examiner series to ensure that effective levels are maintained without lengthening the examination interval schedule.

#### Administrative and Technical Staff

With the focus on data integration and the recent implementation of ALECS, the agency will continue to provide system upgrades and integrate effective technology-based tools for its stakeholders and workforce. The agency will recruit a database administrator to supplement the IT staff; this position was added to the fiscal year 2014 budget.

As the agency seeks to strengthen its administrative programs, it may consider adding additional support staff to meet operational needs in the credit industry, communications, financial literacy, or administrative sections. The agency may consider limited-term appointments or the use of contract workers as appropriate. The agency has routinely used contract workers to supplement administrative staff to address workload volume peaks.

#### **Future Workforce Skills Needed**

In addition to the skills noted within the supply analysis, the agency needs a competent and knowledgeable staff that can efficiently and effectively administer the programs and services offered. Employees must increase skills in the following areas:

- Knowledge and understanding of IT risk in a changing environment, both from a regulatory and user perspective.
- Adaptability to changing technology and diversity of products offered and used.
- Ability to employ critical thinking, process analysis, and decision-making skills.
- Ability to effect change and adapt to change in work processes.
- Ability to communicate to a given audience, and provide effective customer service.
- Ability to manage multiple tasks and priorities.
- Ability to employ project management skills.
- Ability to effectively supervise and manage staff.

#### **Gap Analysis**

##### **Anticipated Surplus or Shortage of Workers or Skills**

As the agency's regulated population evolves, adjustments to the agency's workforce plan will be made through the addition, deletion, or realignment of positions and responsibilities. The agency's SDSI status enables it to respond to changes in the regulatory environment in a well-timed manner.

The OCC places an emphasis on the continued development and retention of staff and personnel. To support an effective retention strategy and in comparing the agency's current workforce structure and skills to those needed in the future, the following areas of emphasis have been identified:

- An imbalance of experience exists between the agency’s lower- to mid-level examiners and senior-level examiners.
- An imbalance of expertise and capabilities to perform specific examinations exists across the lower- to mid-level examiners.
- Succession planning for key positions must be accelerated to allow for retention of knowledge, experience, and personnel as anticipated turnover and retirements occur.
- An imbalance of technology skills and fundamental software skills across the agency staff.
- Increased staffing needs, primarily within the financial examiner series, are due to:
  - Increased licensee population
  - Increased complexity of examinations, given evolving consumer credit products.
  - Increased out-of-state examinations, re-examinations, and investigations.
- Increased staffing needs within the administrative staff are due to:
  - Increased use of technology in providing services.
  - Increased number of public information requests.
  - Increased communications and strategies to engage stakeholder and the legislature.
  - Improvements needed for customer service experiences related to the licensing and registration process.

The agency’s analysis of its current workforce and it anticipated needs for the next three fiscal years is presented below.

	Officials/Admin			Professional			Technical			Admin Support		
	Have	Need	Gap	Have	Need	Gap	Have	Need	Gap	Have	Need	Gap
Executive/Admin	1	1	0	1	1	0	0	0	0	1	1	0
Legal Services	1	1	0	4	4	0	0	0	0	2	2	0
Accounting	0	0	0	3	3	0	0	0	0	0	0	0
Admin Services	0	0	0	2	2	0	0	0	0	0	1	1
Licensing	0	0	0	2	2	0	0	0	0	6	6	0
Inf. Technology	0	0	0	0	0	0	1	2	1	0	0	0
Examination	1	1	0	50	56	6	0	0	0	4	4	0
Consumer Assistance	0	0	0	5	5	0	0	0	0	1	1	0
<b>Total</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>67</b>	<b>73</b>	<b>6</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>14</b>	<b>14</b>	<b>1</b>

Table 13: OCCC Gap Analysis as of May 2014.

## Strategy Development

The OCCC has identified three categories as areas of opportunity for strengthening and building the competencies and skills of its workforce. These strategies have been implemented within the agency and will continue to be utilized and adapted to meet the needs of the agency and to effectively perform its regulatory duties.

Gap	<b>Imbalance of experience, expertise, and capabilities between the agency's lower- to mid-level examiners and senior-level examiners.</b>
Goal	Reduce the existing experience, expertise, and capability gap within the examination department.
Rationale	Reducing the gap will minimize the impact of examiner turnover, retirements of experienced financial examiners, and examiner inabilities to perform examinations within specific regulated industries. Closing the gap will ensure continuity and effectiveness of agency examination procedures, provide for professional development and career progression, and ensure effective succession planning and replacement.
Actions Steps	<ul style="list-style-type: none"> <li>• Continue career ladder paths within the financial examiner series.</li> <li>• Identify and select training coordinator to administer the examiner training program and schedules.</li> <li>• Allow lower- to mid-level financial examiners to participate in out-of-state examinations.</li> <li>• Support a mentoring program for senior examiners that mentor and coach less tenured and less experienced examiners to ensure knowledge and training learned is appropriately applied to current regulatory activities.</li> <li>• Continue to recruit entry-level financial examiners from university campuses, developing them for career progression within the job series.</li> <li>• Continue to refine and improve succession plans.</li> </ul>

Gap	<b>Imbalance of technology skills and fundamental software skills and capabilities across the agency staff.</b>
Goal	Develop a qualified, competent, and well-trained staff.
Rationale	The skills, competencies, and abilities of the agency staff are essential to the success of the agency, but also to its credibility with stakeholders and the general public. The level of quality, experience, and expertise of the workforce has a direct correlation with the agency's ability to perform effectively and efficiently.
Actions Steps	<ul style="list-style-type: none"> <li>• Identify technology and software skills that are needed to support existing operations and to meet challenges that have occurred or are anticipated.</li> <li>• Develop in-house foundational training opportunities to provide relatable and specific skills development.</li> <li>• Identify and provide opportunities for vendor-provided skills and capabilities training to support more effective and efficient operations.</li> <li>• Develop a knowledge-transfer strategy that may include: documenting processes or methodologies related to the use of technology, contacts, forms, and files.</li> <li>• Institute checklists or quick reference guides, flowcharts, and similar work aids to provide easy access to resources.</li> </ul>

Gap	<b>Attracting and retaining qualified staff.</b>
Goal	Develop a competent and qualified workforce.
Rationale	17.4% of current staff is eligible to retire within the next five years; a significant number of those individuals represent mid- to senior-level examiner posting and key leadership positions. Building and strengthening our current and future workforce is critical to the continued effectiveness of the agency's regulatory activities.
Actions Steps	<ul style="list-style-type: none"><li>• Identify the knowledge, skills, and abilities of current successful leadership and supervisory positions.</li><li>• Identify qualified and high-potential staff that either possess or could readily acquire the competencies and abilities necessary for career progression and leadership opportunities.</li><li>• Continue incorporating development plans into the performance management activities.</li><li>• Provide training, experience, or job shadowing assignments.</li></ul>

## Appendix F: Survey of Employee Engagement



Consumer Credit Commissioner  
Executive Summary  
**2013**

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## Executive Summary

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## Introduction

**Thank you** for your participation in the Survey of Employee Engagement (SEE). We trust that you will find the information helpful in your leadership planning and organizational development efforts. As an organizational climate assessment, the SEE represents an employee engagement measurement tool based on modern organizational and managerial practice and sound theoretical foundations. In short, the SEE is specifically focused on the key drivers relative to the ability to engage employees towards successfully fulfilling the vision and mission of the organization.

Participation in the SEE indicates the willingness of leadership and the readiness of all employees to engage in meaningful measurement and organizational improvement efforts. The process is best utilized when leadership builds on the momentum initiated through the surveying process and begins engagement interventions using the SEE data as a guide. Contained within these reports are specific areas of organizational strengths and of organizational concern.

**The SEE Framework** initially consists of a series of items to ascertain the demography of the respondents. The purpose is to measure whether or not a representative group of respondents participated. The second section contains 71 primary items. These are used to assess essential and fundamental aspects of how the organization functions, the climate, potential barriers to improvement, and internal organizational strengths. The items are all scored on a five-point scale from Strongly Disagree(1) to Strongly Agree(5) and are averaged to produce various summary measures - Constructs, Climate indicators, and the Synthesis Score.

The SEE has 14 Constructs which capture the concepts most utilized by leadership and those which drive organizational performance and engagement. These constructs are: Supervision, Team, Quality, Pay, Benefits, Physical Environment, Strategic, Diversity, Information Systems, Internal Communication, External Communication, Employee Engagement, Employee Development, and Job Satisfaction. In the Climate section of the reports are the Climate indicators: Atmosphere, Ethics, Fairness, Feedback, and Management.

### Workplace Dimensions

Survey Constructs



## Organization Profile

### Consumer Credit Commissioner

#### Organizational Leadership:

- Leslie Pettijohn, CPS, Commissioner



## Benchmark Groups

The most current benchmark data are provided in your report. To get a better idea of how this organization compares to others like it, we provide three types of benchmark data: organizations with a similar size, similar mission, and organizations belonging to a special grouping.

#### The Benchmark Categories for this organization are:

- **Organization Size:** Size category 2 includes organizations with 26 to 100 employees.
- **Mission Category:** Mission 8 (Regulatory)  
The Regulatory category includes organizations involved in the regulation of medical, financial, and other service industries.
- **Special Grouping:** None

## Survey Administration

#### Collection Period:

11-04-2013 through 12-01-2013

**Additional Items and Categories** (if applicable) may be used to target areas specific to the organization. Refer to the Appendix of the Data Report for a complete listing.

- 3 additional items
- Category 1 (2 codes)

#### Survey Liaison:

Sue Jevning  
2801 N. Lamar Blvd.  
Austin, TX 78705

(512) 938-7666

sue.jevning@occc.state.tx.us

## Overall Score and Participation

### Overall Score

The overall survey score is a broad indicator for comparison with other entities. The Overall Score is an average of all survey items and represents the overall score for the organization. For comparison purposes, Overall scores typically range from 325 to 375.



### Response Rates

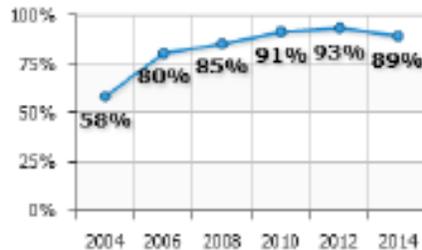
#### Overall Response Rate

Out of the 72 employees who were invited to take the survey, 64 responded. As a general rule, rates higher than 50 percent suggest soundness. Rates lower than 30 percent may indicate problems.

At 89%, your response rate is considered high. High rates mean that employees have an investment in the organization, want to see the organization improve, and generally have a sense of responsibility to the organization. With this level of engagement, employees have high expectations from Leadership to act on the survey results.



■ Responded 89%  
 ■ Did Not Respond 11%



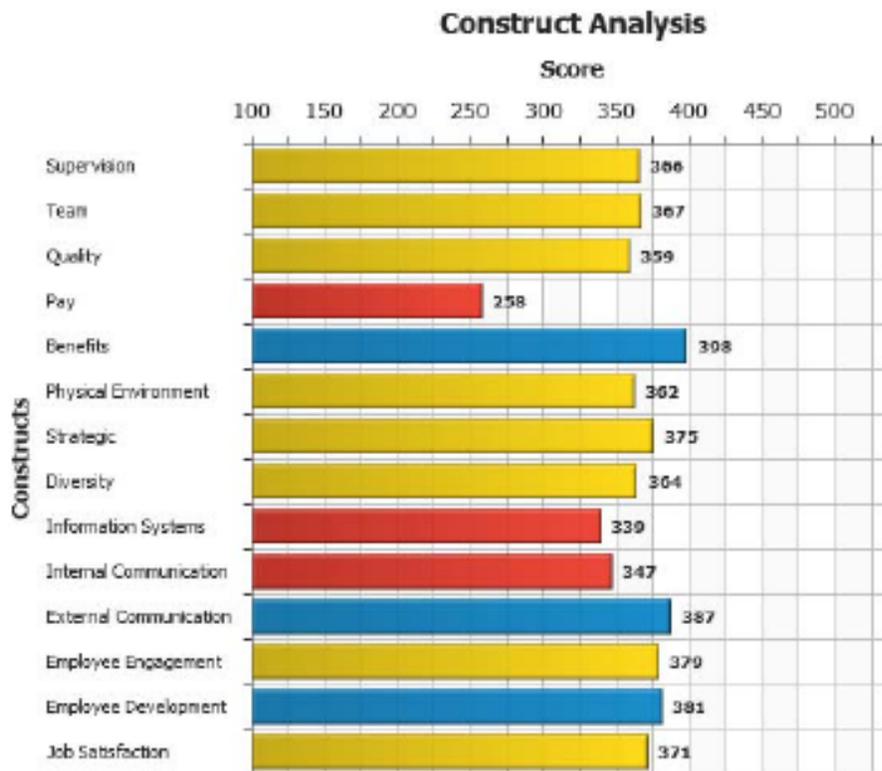
#### Response Rate Over Time

One of the values of participating in multiple iterations of the survey is the opportunity to measure organizational change over time. In general, response rates should rise from the first to the second and succeeding iterations. If organizational health is sound and the online administration option is used, rates tend to plateau around the 80 to 85 percent level. A sharp decline in your response rate over time can be a significant indicator of a current or potential developing organizational problem.

## Construct Analysis

Constructs have been color coded to highlight the organization's areas of strength and areas of concern. The 3 highest scoring constructs are blue, the 3 lowest scoring constructs are red, and the remaining 8 constructs are yellow.

Each construct is displayed below with its corresponding score. Highest scoring constructs are areas of strength for this organization while the lowest scoring constructs are areas of concern. Scores above 350 suggest that employees perceive the issue more positively than negatively, and scores below 350 are viewed less positively by employees, and scores below 325 should be a significant source of concern for the organization and should receive immediate attention.



---

## Organizational Typology: Areas of Strength

The following Constructs are relative strengths for the organization:

### Benefits

Score:398

The Benefits construct provides a good indication of the role the benefit package plays in attracting and retaining employees in the organization. It reflects employees' perceptions of how well their benefits package compares to those of other organizations.

High scores indicate that employees view the benefits package positively. The benefits package (health care, vacation, retirement, etc.) is seen as appealing and providing appropriate flexibility. Important benefit items are available at a fair cost. To maintain these scores, it is important to regularly check benefits provided by competing organizations, as well as, examine environment factors that may make existing benefits less desirable.

### External Communication

Score:387

The External Communication construct looks at how information flows into the organization from external sources, and conversely, how information flows from inside the organization to external constituents. It addresses the ability of organizational members to synthesize and apply external information to work performed by the organization.

High scores indicate that employees view their organization as communicating effectively with other organizations, its clients, and those concerned with regulation. Maintaining these high scores will require leadership to be alert to change and maintain strong and responsive tools to assess the external environment.

### Employee Development

Score:381

The Employee Development construct is an assessment of the priority given to employees' personal and job growth needs. It provides insight into whether the culture of the organization sees human resources as the most important resource or as one of many resources. It directly addresses the degree to which the organization is seeking to maximize gains from investment in employees.

High scores indicate that employees feel the organization provides opportunities for growth in organizational responsibilities and personal needs. Maintaining high scores requires both providing resources and challenges for employees.

## Organizational Typology: Areas of Concern

The following Constructs are relative concerns for the organization:

### Pay

Score: 258

The Pay construct addresses perceptions of the overall compensation package offered by the organization. It describes how well the compensation package 'holds up' when employees compare it to similar jobs in other organizations.

Low scores suggest that pay is a central concern or reason for satisfaction or discontent. In some situations pay does not meet comparables in similar organizations. In other cases individuals may feel that pay levels are not appropriately set to work demands, experience and ability. Cost of living increases may cause sharp drops in purchasing power, and as a result, employees will view pay levels as unfair. Remedying Pay problems requires a determination of which of the above factors are serving to create the concerns. Triangulate low scores in Pay by reviewing comparable positions in other organizations and cost of living information. Use the employee feedback sessions to determination the causes of low Pay scores.

### Information Systems

Score: 339

The Information Systems construct provides insight into whether computer and communication systems enhance employees' ability to get the job done by providing accessible, accurate, and clear information. The construct addresses the extent to which employees feel that they know where to get needed information, and that they know how to use it once they obtain it.

Average scores suggest that room for improvement exists and there is frustration with securing needed information. In general, a low score stems from these factors: traditional dependence on word of mouth, low investment in appropriate technology, and possibly some persons using their control of information to control others. Remedying Information Systems problems requires careful study to determine the correct causative factors. Have each program group list what information is needed and how they access it. Use the employee feedback sessions to make a more complete determination of the factors that influence your Information Systems score.

### Internal Communication

Score: 347

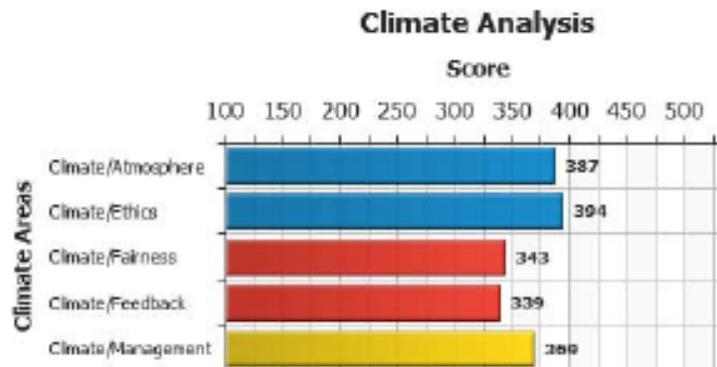
The Internal Communication construct captures the organization's communications flow from the top-down, bottom-up, and across divisions/departments. It addresses the extent to which communication exchanges are open, candid, and move the organization toward its goals.

Average scores suggest that employees feel information does not arrive in a timely fashion and often it is difficult to find needed facts. In general, Internal Communication problems stem from these factors: an organization that has outgrown an older verbal culture based upon a few people knowing "how to work the system", lack of investment and training in modern communication technology and, perhaps, vested interests that seek to control needed information. Triangulate low scores in Internal Communication by reviewing existing policy and procedural manuals to determine their availability. Assess how well telephone systems are articulated and if e-mail, faxing, and Internet modalities are developed and in full use.

## Climate Analysis

The climate in which employees work does, to a large extent, determine the efficiency and effectiveness of an organization. The appropriate climate is a combination of a safe, non-harassing environment with ethical abiding employees who treat each other with fairness and respect. Moreover, it is an organization with proactive management that communicates and has the capability to make thoughtful decisions. Climate Areas have been color coded to highlight the organization's areas of strength and areas of concern. The 2 highest scoring climate areas are blue (Ethics, Atmosphere), the 2 lowest scoring climate areas are red (Feedback, Fairness), and the remaining climate area is yellow (Management).

Each Climate Area is displayed below with its corresponding score. Scores above 350 suggest that employees perceive the issue more positively than negatively, and scores of 375 or higher indicate areas of substantial strength. Conversely, scores below 350 are viewed less positively by employees, and scores below 325 should be a significant source of concern for the organization and should receive immediate attention.



### Climate Definitions:

**Atmosphere:** The aspect of climate and positive Atmosphere of an organization must be free of harassment in order to establish a community of reciprocity.

**Ethics:** An Ethical climate is a foundation of building trust within an organization where not only are employees ethical in their behavior, but that ethical violations are appropriately handled.

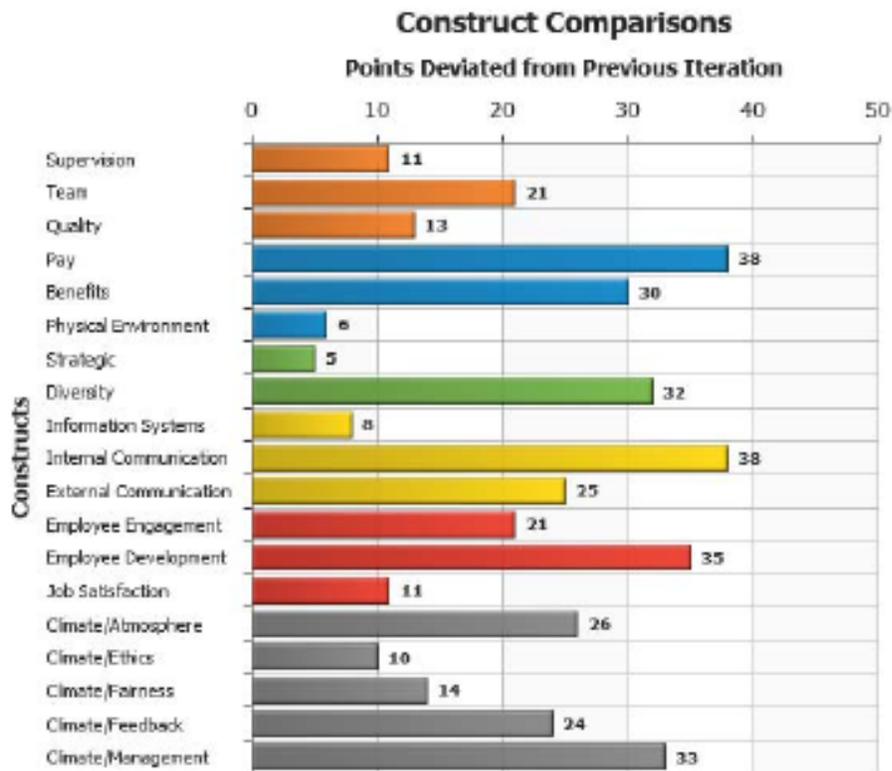
**Fairness:** Fairness measures the extent to which employees believe that equal and fair opportunity exists for all members of the organization.

**Feedback:** Appropriate feedback is an essential element of organizational learning by providing the necessary data in which improvement can occur.

**Management:** The climate presented by Management as being accessible, visible, and an effective communicator of information is a basic tenant of successful leadership.

## Over Time Comparisons

One of the benefits of continuing to participate in the survey is that over time data shows how employees' views have changed as a result of implementing efforts suggested by previous survey results. Positive changes indicate that employees perceive the issue as adequately improved since the previous survey. Negative changes indicate that the employees perceive that the issue has worsened since the previous survey. Negative changes of greater than 50 points and having 10 or more negative construct changes should be a source of concern for the organization and should receive immediate attention.

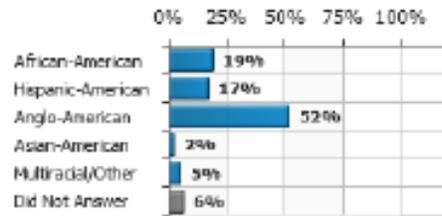


## Participant Profile

Demographic data helps one to see if the Survey response rate matches the general features of all employees in the organization. It is also an important factor in being able to determine the level of consensus and shared viewpoints across the organization. It may also help to indicate the extent to which the membership of the organization is representative of the local community and those persons that use the services and products of the organization.

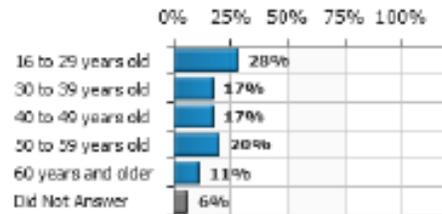
### Race/Ethnic Identification

Racial/Ethnic diversity within the workplace provides resources for innovation. A diverse workforce helps ensure that different ideas are understood, and that the community sees the organization as representative of the community.



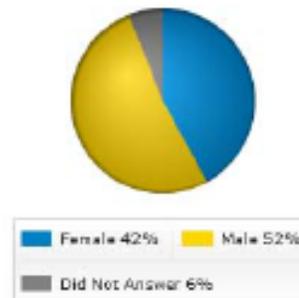
### Age

Age diversity brings different experiences and perspectives to the organization, since people have different challenges and resources at various age levels. Large percentages of older individuals may be a cause of concern if a number of key employees are nearing retirement age.



### Gender

The ratio of males to females within an organization can vary among different organizations. However, extreme imbalances in the gender ratio when compared to actual gender diversity within your organization should be a source of concern and may require immediate attention as to why one group is responding at different than anticipated rates.



## Appendix G: Customer Service Survey

### Customer Service Survey Information

The Office of Consumer Credit Commissioner (OCCC) developed an online Customer Engagement Survey designed to gather pertinent and meaningful data related to its customers' level of satisfaction with the agency's regulatory, consumer assistance, and financial literacy programs. The survey allowed customers to provide feedback and rate the performance of individual departments or work sections with which they had direct contact and of the agency as a whole.

To gain the most valuable feedback, the agency identified those customers who had had contact with the OCCC during the previous 60 – 90 days; customer contacts were identified through database reporting used to track such contacts and reports generated. The OCCC selected the population of each survey group and issued 762 invitations to

participate in the agency's online surveys. Data collection occurred over a five-week period; the survey was accessible via a hyperlink posted on the agency's website. The agency e-mailed reminder notices halfway through the data collection period asking recipients to participate if they had not already done so. The agency chose to provide an online survey instrument to conserve funds and employ cost controls. The agency was mindful of the fact that some invited participants did not wish to or were unable to provide feedback online and was prepared to provide paper-based survey instruments upon request to those individuals. Unlike previous survey periods, the agency did not receive any requests for paper-based survey instruments.

Customers were invited to participate in one of three individual surveys:

2014 Customer Engagement Surveys			
	Consumer Assistance Survey	Customer Engagement Survey	Licensee Engagement Survey
<b>Invited Participants</b>	Consumers and individuals who contacted the Consumer Assistance Department, either by telephone or through written correspondence.  Businesses and organizations who responded to a request for information issued by the Consumer Assistance Department.	Businesses and individuals who submitted new applications or registrations to the Licensing Department, either through written correspondence or use of ALECS.  Existing licensees and registrants who made changes to existing licenses and registrations with the Licensing Department, either through written correspondence or use of ALECS.	Licensees who were examined by the Consumer Protection Department, either through an onsite examination performed by a field examiner or through a desk audit performed by Austin-based examiners.
<b>Survey Dates</b>	1/21/2014 – 2/16/2014	1/21/2014 – 2/16/2014	2/20/2014 – 3/7/2014
<b>Selection Criteria</b>	Those who contacted the Consumer Assistance Department or who responded to a request within the previous 60 days.	Those who submitted new license or registration applications or who conducted self-service transactions and amendments within the previous 60 days.	Those licensees who were examined within the previous 90 days.
<b>Number of Invitations</b>	109	370	283
<b>Number of Responses</b>	11	17	23
<b>Percentage of Respondents</b>	10.09%	4.59%	8.13%

Table 14: Overview of Customer Service Survey Constructs and Response Rates.

Of the 762 customers invited to participate, 6.7% provided feedback. The response level is 1.2 percentage points higher than that of the agency’s 2012 survey and as experienced with the previous survey, it does not provide enough data from which to draw meaningful statistical conclusions for agency or individual functional sections.

Of the responses received for the Consumer Assistance survey, respondents indicated that their primary reason for contacting Consumer Assistance staff was to either file a claim regarding a consumer

credit transaction or to respond to a request for information that was issued by the OCCC and related to a consumer complaint or concern.

Of the responses received for the Licensee Engagement Survey and the Customer Engagement Survey, respondents indicated they visited the website primarily to obtain licensing and registration forms and to review or access information regarding applicable statutes and administrative rules associated with various financial service products and activities.

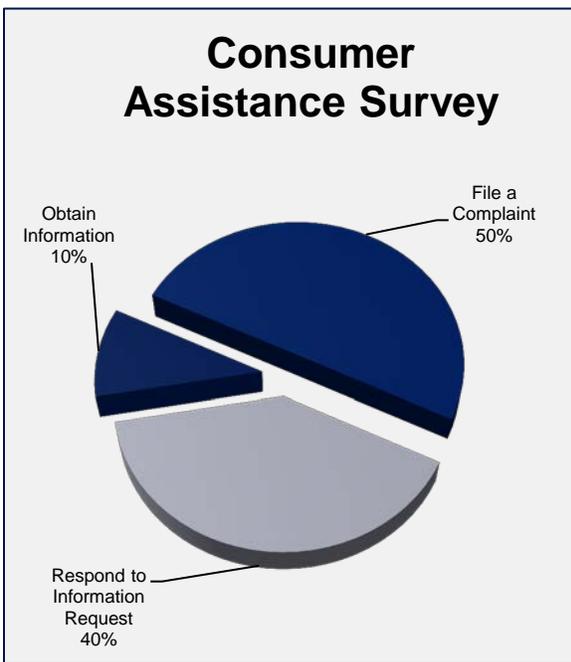


Figure 9: Reasons survey respondents contacted the Consumer Assistance Department.

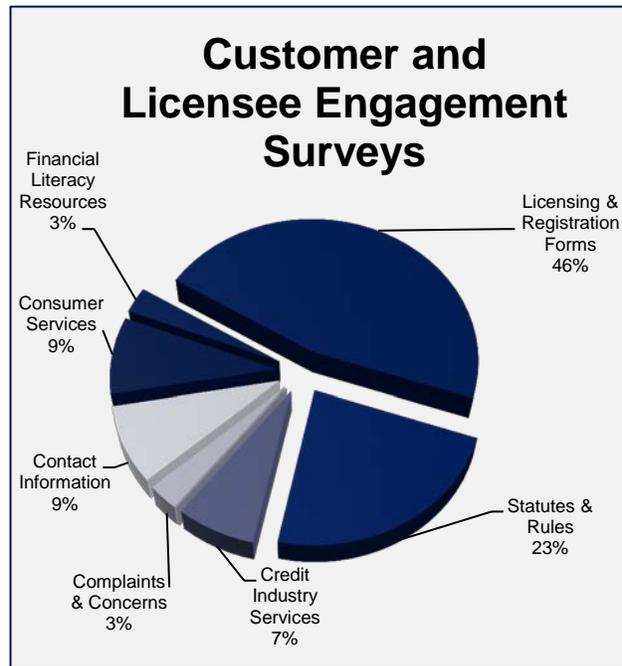


Figure 8: Reasons survey respondents visited the OCCC website

### Analysis of Findings

It is important to know that when reviewing the following data, low response rates may generally yield results that reflect the feelings of those with the most positive or negative impressions of, or experiences with, the agency and as a consequence may skew the analysis of the findings.

The results show a general satisfaction with the agency’s services as a whole across all three surveys. More than 86% of all respondents expressed

satisfaction with the agency’s timeliness, accessibility, professionalism, and level of knowledge retained within the agency.

Customers expressed general satisfaction with the agency’s examination and enforcement section and 82.3% of respondents agreed that examiner requests for information prior to or during an examination are timely and reasonable. Examiners are generally considered to be professional, knowledgeable about

industry issues, and adequately trained to address examination matters. Additionally, respondents indicated examiners generally answered questions thoroughly and are qualified to examine licensees. Eighty-two percent of the respondents agreed that exams are conducted without placing an undue burden on their company. Respondents rated their overall experience of the examination section to be 82.3% satisfaction.

Respondents conveyed an increased level of general satisfaction to neutral feelings regarding interactions and communications with the agency's licensing and registration department: 74% of respondents believe the licensing staff provides timely and appropriate communication while 81.4% believe the staff is generally accessible. Ninety-two percent of respondents believe the licensing staff conducts themselves in a professional manner, clearly communicates requests for additional information, and is professional and courteous. Eighty-eight percent of respondents consider the licensing and registration processes to be easily understood, which represents an increase of 19 percentage points from the 2012 survey. Respondents rated their overall experience of the licensing and registration department to be 74% satisfaction.

The Consumer Assistance department provides services and responds to more than 3,000 callers per month. Of the 109 consumers and businesses invited to participate, 12 provided feedback. The data provided was not sufficient to determine satisfaction or dissatisfaction with the services provided or processes employed by this department; however, 83.3% of respondents believed the consumer assistance staff to be generally accessible, professional and courteous, and provides timely responses. Respondents rated their overall experience to be 83.3% satisfactory or neutral.

The information received regarding the interactions with the Legal Department and Financial Literacy staff was not sufficient to be able to determine satisfaction or dissatisfaction with the process.

The data from the survey reveals that a majority of customers are satisfied with the services the OCCC provides, however, areas of opportunity have been identified for future services or enhancement of existing services as it relates to accessibility within functional departments, effective and informative communication with external customers, and strengthening knowledge bases throughout the agency staff.

Outcome Measures	FY 2014
Percent of surveyed customer respondents expressing overall satisfaction with services received	81%
Percent of written complaints resolved in 90 calendar days	95%*
Average processing time (days) for license applications	60*
Average processing time (days) for pawnshop employee applications	45*
Output Measures	
Number of customers surveyed	762
Number of responses received	51
Number of customers served (population of Texas)	26.4 million <sup>1</sup>
Explanatory Measures	
Number of businesses/consumers in targeted survey population	762
Number of groups targeted for survey	3

\* Agency Targeted Goals

<sup>1</sup> <http://quickfacts.census.gov/gfd/state/48000.html>

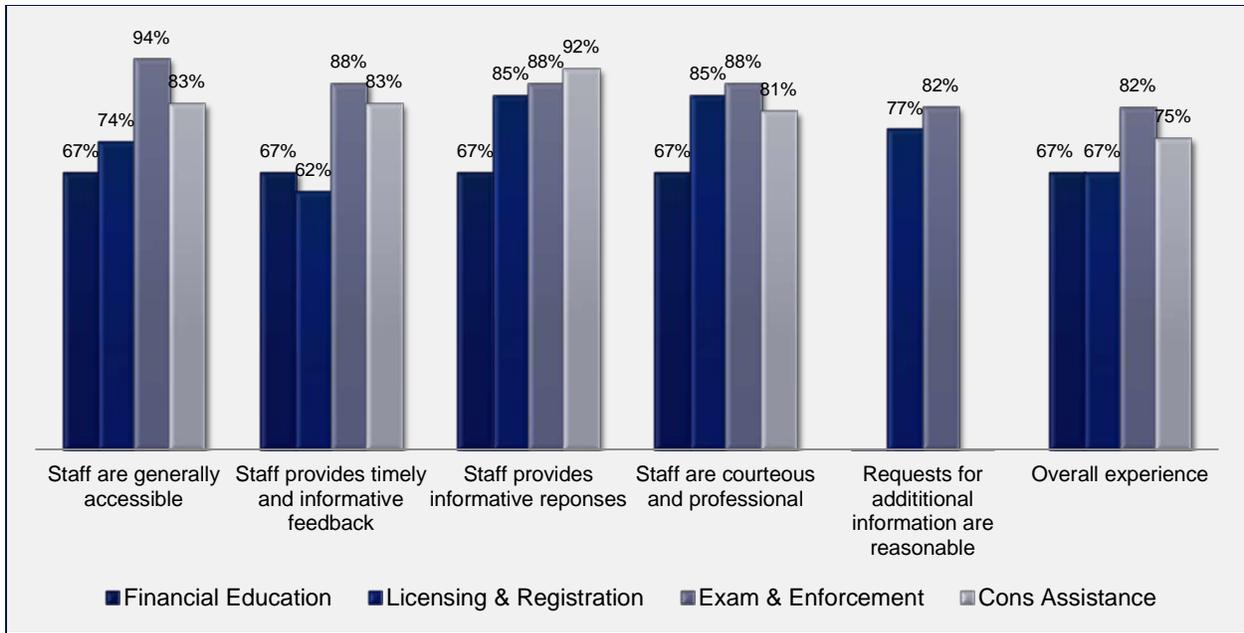


Figure 10: Excerpts of Satisfactory Ratings (Strongly Agree or Agree) by Functional Department.

### Response to Results

Members of the steering committee and management team discussed the results and identified areas of opportunity for improvement or enhancement across all functional divisions of the agency. An agency-wide emphasis will be placed on responding to external customers in a timely manner and being more accessible to consumers upon initial contact with the agency. The OCCC has implemented several initiatives during the previous two years that provide web and cloud-based resources to better serve its customers: implementation of an automated cloud-based licensing and registration system, development and publication of PDF-fillable forms, development and publication of a frequently asked questions (FAQ) resource page, and consolidation of diverse publications and resources into industry-specific web pages.

Action plans will be further developed or enhanced to ensure customers continue to receive meaningful and timely information crossing all functions of the agency. These action plans will continue to emphasize communicating with the customer in the best possible manner for that customer (e.g. FAQ

sites and interactive or web-based administrative processes).

The agency is committed to further integrating technology into its various services and programs and seeks to create efficient as well as effective regulatory processes. This emphasis on technology enhancements is expected to improve response time, administrative processes, and both external and internal reporting requirements.

To the degree that some industry members believe examination reports to be unfair or unjustified, and to the extent that some consumers believe complaint resolutions to be unfair or wrong, the agency has taken initial steps towards providing both industry and consumer education opportunities. The agency continues to publish advisory bulletins and consumer financial literacy materials to its public website. Additionally, the agency has hosted or participated in several webinars focused on providing compliance information to industry members and has developed new self-paced learning modules for motor vehicles sales finance industry members. The agency has continued its

partnerships with state agencies in providing industry education workshops in both the motor vehicle and manufactured housing industries, and will continue to identify further partnering opportunities to ensure compliance through education as well as through formal examination.

The OCCC has provided an online financial literacy resource guide to consumers; this guide identifies various resources and financial literacy education opportunities available to Texans. The agency also makes the information available to the Health and

Human Services Commission for distribution through web-based or print-based outlets. The OCCC collects an annual assessment from all CAB licensees for the Texas Financial Education Endowment (TFEE); the agency administers the endowment on behalf of the Finance Commission and works with commission members and interested stakeholders to identify and define programs, resources, or opportunities for this endowment fund. In January 2013, the Finance Commission awarded \$250,000 in funds to eight organizations.

### **Information Gathering Methods, Results and Analysis**

The Agency assesses its customer service through communication with its constituents. During the strategic planning process, the Agency surveyed entities, individuals, and persons filing complaints against regulated entities. The Agency utilized an electronic survey. All responses were submitted

anonymously. The data from the surveys reveals that a majority of customers are satisfied with the services it provides. The Agency is proud of its reputation as a provider of quality regulation and service to the State of Texas.

## 2014 CUSTOMER ASSISTANCE SURVEY

(THOSE WHO HAVE CONTACTED CONSUMER ASSISTANCE DEPARTMENT WITHIN THE PREVIOUS 60 DAYS.)

**1. What was the purpose of your call to the Consumer Assistance Department or Consumer Assistance Helpline?**

Answer Choices	Responses
To obtain information (make an inquiry) regarding consumer credit transactions.	10%
To file a complaint regarding a consumer credit transaction.	50%
To respond to a request, issued by the Consumer Assistance department, for information related to a consumer complaint or concern.	40%
To inquire about a consumer credit report or credit repair.	0%
I wished to contact a business and was provided or located the Consumer Assistance Helpline contact information.	0%
I wished to speak with another department within the Office of Consumer Credit Commissioner and utilized the Consumer Assistance Helpline.	0%
<b>Total Respondents:</b>	<b>10</b>

**2. Indicate your level of agreement with the following statements:**

	Not Applicable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The Consumer Assistance staff is generally accessible.	0%	41.67%	41.67%	0%	8.33%	8.33%
The Consumer Assistance staff is professional and courteous.	0%	58.33%	25%	0%	8.33%	0%
The Consumer Assistance staff provides timely responses to my inquiries or requests.	0%	50%	33.33%	0%	8.33%	8.33%
The Consumer Assistance staff provides informative responses and is knowledgeable about the circumstances related to a complaint or concern.	0%	50%	41.67%	0%	0%	8.33%
The Consumer Assistance staff clearly communicates findings, outcomes, and resolutions.	0%	58.33%	16.67%	8.33%	8.33%	8.33%
The Consumer Assistance staff provides appropriate referrals to state or federal agencies to assist in the resolution of	33.33%	16.67%	16.67%	16.67%	16.67%	0%

my complaint or concern.						
The Consumer Assistance staff provides accurate contact information associated with referrals.	25%	25%	16.67%	33.33%	0%	0%
The complaint resolution process is efficient, fair, and reasonable.	8.33%	50%	16.67%	8.33%	8.33%	8.33%
My complaint or concern was resolved in a reasonable amount of time.	0%	50%	33.33%	0%	8.33%	8.33%
I am generally satisfied with my overall experience with the Consumer Assistance department.	0%	50%	25%	8.33%	8.33%	8.33%
<b>Total Respondents:</b>						<b>12</b>

3. Please use the box below to provide any additional comments, suggestions, or recommendations you may have for our agency.

**Total Respondents:**

**3**

## 2014 CUSTOMER ENGAGEMENT SURVEY

(THOSE WHO HAVE APPLIED FOR OR CHANGED A LICENSE WITHIN THE PREVIOUS 60 DAYS.)

1. Indicate your level of agreement with the following statements.

	Not Applicable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Agency staff is generally accessible.	4.55%	18.18%	50%	9.09%	4.55%	13.64%
Agency staff identifies themselves and are courteous and friendly.	0%	36.36%	36.36%	18.18%	9.09%	0%
Agency staff is knowledgeable and able to address my concerns/inquiries.	0%	31.82%	40.91%	18.18%	9.09%	0%
Agency staff provides timely, accurate feedback and answers.	0%	19.05%	38.10%	19.05%	9.52%	14.29%
Communication with agency staff is helpful and informative.	0%	27.27%	36.36%	18.18%	13.64%	4.55%
Agency staff process requests in an efficient manner.	0%	13.64%	36.36%	18.18%	18.18%	13.64%
<b>Total Respondents:</b>						<b>22</b>

2. Indicate how many times you have visited the agency website during the last six months.

Answer Choices	Responses
0 – 2 times	34.78%
3 – 5 times	34.78%
6 – 10 times	21.74%
10 or more times	8.70%
<b>Total Respondents:</b>	<b>23</b>

3. When visiting the agency website, indicate what information or services you used. (Select all that apply).

Answer Choices	Responses
Consumer Services	21.74%
Financial Literacy Resources	8.70%
Licensing and Registration Forms	91.30%
Statutes and Rules	47.83%
Credit Industry Services	4.35%
Public Information Requests	0%
Complaints or Concerns	4.35%
Contact Information	17.39%
<b>Total Respondents:</b>	<b>23</b>

4. Agency Website and Publications.

	Not Applicable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The agency's website is visually appealing.	0%	17.39%	52.17%	21.74%	8.70%	0%
The agency's website is easily accessible and user-friendly.	0%	21.74%	47.83%	21.74%	8.70%	0%
The agency's website provides appropriate contact information, forms, and information.	0%	22.73%	50%	13.64%	4.55%	9.09%
The agency's website provides informative information regarding statutes and regulations (rules) pertaining to regulated industries.	0%	30.43%	43.48%	21.74%	4.35%	0%
Information regarding changes to the agency's rules, policies, or procedures is posted to the website in a timely manner.	4.35%	21.74%	52.17%	21.74%	0%	0%

	Not Applicable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Agency publications are informative and useful.	0%	26.09%	56.52%	17.39%	0%	0%
The agency's website provides clear instructions on how to complete and submit licensing and registration applications.	0%	14.29%	47.62%	23.81%	9.52%	4.76%
<b>Total Respondents:</b>						<b>23</b>

5. Indicate your level of agreement with the following statements.

	Not Applicable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Austin-based examination staff is generally accessible and able to answer questions.	0%	50%	33.33%	16.67%	0%	0%
Examiners are professional and courteous when conducting examinations and communicating with licensees.	0%	83.33%	0%	16.67%	0%	0%
Examiners are knowledgeable of current industry issues.	0%	50%	16.67%	16.67%	16.67%	0%
Examiners are qualified to examine licensed activities. The scope and goals of exams are clearly communicated to management before an examination is conducted.	0%	33.33%	16.67%	50%	0%	0%
Examiner requests for new or additional information – before and during actual exams – are timely, clearly communicated, and reasonable.	0%	50%	16.67%	33.33%	0%	0%
Examinations are conducted without placing undue burden on the company.	0%	33.33%	33.33%	16.67%	0%	16.67%

	Not Applicable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Examinations are completed within a reasonable amount of time.	0%	33.33%	33.33%	16.67%	0%	16.67%
Examination reports and exit briefings address exam issues thoroughly and clearly.	0%	33.33%	0%	50%	0%	16.67%
Examination results and required corrective actions are effectively and clearly communicated.	0%	33.33%	33.33%	33.33%	0%	0%
Required corrective actions are considered reasonable to effect compliance.	0%	33.33%	33.33%	33.33%	0%	0%
Examination results are provided to the licensee in a timely manner.	0%	33.33%	33.33%	16.67%	0%	16.67%
Overall, I am satisfied with my experience with the Examination staff.	0%	33.33%	33.33%	16.67%	0%	16.67%
<b>Total Respondents:</b>						<b>6</b>

6. Indicate your level of agreement with the following statements.

	Not Applicable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The Licensing staff is generally accessible.	0%	20%	50%	10%	5%	15%
The Licensing staff provides timely responses to inquiries and requests.	0%	20%	45%	15%	10%	10%
The Licensing staff provides informative responses to inquiries and requests.	0%	25%	55%	10%	10%	0%
The Licensing staff is professional and courteous.	5%	35%	45%	10%	0%	5%

	Not Applicable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The Licensing staff clearly communicates any requests for additional documentation or information.	5%	25%	50%	15%	0%	5%
Instructions included with licensing and registration forms are easily understood.	0%	15%	55%	15%	10%	5%
I am satisfied with my overall experience with the licensing section.	5.26%	21.05%	42.11%	10.53%	5.26%	15.79%
<b>Total Respondents:</b>						<b>20</b>

7. Indicate your level of agreement with the following statements.

	Not Applicable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The Legal staff is generally accessible.	0%	66.67%	0%	33.33%	0%	0%
The Legal staff provides timely and informative communication.	0%	33.33%	33.33%	33.33%	0%	0%
The legal staff is professional.	0%	66.67%	0%	33.33%	0%	0%
The Legal staff clearly communicates the reasons and rationale regarding decisions, actions, or positions taken by the Legal department.	0%	33.33%	0%	66.67%	0%	0%
Decisions, actions, or positions taken by the Legal staff are reasonable and fair.	0%	0%	66.67%	33.33%	0%	0%
I am satisfied with my overall experience with the Legal department.	0%	33.33%	33.33%	33.33%	0%	0%
<b>Total Respondents:</b>						<b>3</b>

## 8. Tell us why you contacted the Financial Education Department.

Answer Choices	Responses
Group or community presentation.	33.33%
Individual assistance related to financial skills-building.	33.33%
Individual assistance related to credit repair/credit building.	33.33%
Contact information or referral for third-party assistance/organization.	33.33%
<b>Total Respondents:</b>	<b>1</b>

## 9. Indicate your level of agreement with the following statements.

	Not Applicable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The Financial Education staff is generally accessible.	0%	33.33%	33.33%	33.33%	0%	0%
The Financial Education staff provides timely and appropriate information to inquiries and requests.	0%	33.33%	33.33%	33.33%	0%	0%
The Financial Education staff is professional and courteous.	0%	33.33%	33.33%	33.33%	0%	0%
The Financial Education staff is able to support requests for presentations with requested.	0%	33.33%	33.33%	33.33%	0%	0%
The Financial Education staff is able to support requests for presentations throughout the state.	0%	33.33%	33.33%	33.33%	0%	0%
The Financial Education staff provides financial literacy skills-building resources to workshop or seminar attendees.	0%	33.33%	33.33%	33.33%	0%	0%
The Financial Education staff is able and willing to customize presentations to meet specific needs of attendees.	0%	0%	33.33%	66.67%	0%	0%

	Not Applicable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I am satisfied with my overall experience with the Financial Education section.	0%	33.33%	33.33%	33.33%	0%	0%
<b>Total Respondents:</b>						<b>3</b>

10. Please use the box below to provide any additional comments, suggestions, or recommendations you may have for our agency.

<b>Total Respondents:</b>	<b>5</b>
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## 2014 LICENSEE ENGAGEMENT SURVEY

(THOSE WHO HAVE BEEN EXAMINED WITHIN THE PREVIOUS 90 DAYS.)

**1. Indicate your level of agreement with the following statements.**

	Not Applicable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Agency staff is generally accessible.	0%	41.18%	52.94%	0%	0%	5.88%
Agency staff identifies themselves and are courteous and friendly.	0%	62.50%	31.25%	6.25%	0%	0%
Agency staff is knowledgeable and able to address my concerns/inquiries.	0%	58.82%	35.29%	5.88%	0%	0%
Agency staff provides timely, accurate feedback and answers.	0%	52.94%	35.29%	0%	5.88%	5.88%
Communication with agency staff is helpful and informative.	0%	56.25%	37.50%	0%	6.25%	0%
Agency staff process requests in an efficient manner.	0%	52.94%	29.41%	11.76%	5.88%	0%
<b>Total Respondents:</b>						<b>17</b>

**2. Indicate how many times you have visited the agency website during the last six months.**

Answer Choices	Responses
0 – 2 times	64.71%
3 – 5 times	17.65%
6 – 10 times	11.75%
10 or more times	5.88%
<b>Total Respondents:</b>	<b>17</b>

3. When visiting the agency website, indicate what information or services you used. (Select all that apply).

Answer Choices	Responses
Consumer Services	6.25%
Financial Literacy Resources	0%
Licensing and Registration Forms	68.75%
Statutes and Rules	31.25%
Credit Industry Services	25%
Public Information Requests	0%
Complaints or Concerns	6.25%
Contact Information	12.50%
<b>Total Respondents:</b>	<b>16</b>

4. Agency Website and Publications.

	Not Applicable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The agency's website is visually appealing.	5.88%	29.41%	47.06%	17.65%	0%	0%
The agency's website is easily accessible and user-friendly.	5.88%	35.29%	47.06%	11.76%	0%	0%
The agency's website provides appropriate contact information, forms, and information.	5.88%	47.06%	35.29%	11.76%	0%	0%
The agency's website provides informative information regarding statutes and regulations (rules) pertaining to regulated industries.	5.88%	47.06%	29.41%	17.65%	0%	0%
Information regarding changes to the agency's rules, policies, or procedures is posted to the website in a timely manner.	5.88%	29.41%	47.06%	11.76%	5.88%	0%

	Not Applicable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Agency publications are informative and useful.	5.88%	41.18%	35.29%	17.65%	0%	0%
The agency's website provides clear instructions on how to complete and submit licensing and registration applications.	5.88%	41.18%	41.18%	11.76%	0%	0%
<b>Total Respondents:</b>						<b>17</b>

5. Indicate your level of agreement with the following statements.

	Not Applicable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Austin-based examination staff is generally accessible and able to answer questions.	0%	36.36%	63.64%	0%	0%	0%
Examiners are professional and courteous when conducting examinations and communicating with licensees.	0%	63.64%	27.27%	0%	9.09%	0%
Examiners are knowledgeable of current industry issues.	0%	63.64%	27.27%	0%	9.09%	0%
Examiners are qualified to examine licensed activities. The scope and goals of exams are clearly communicated to management before an examination is conducted.	0%	63.64%	27.27%	0%	9.09%	0%
Examiner requests for new or additional information – before and during actual exams – are timely, clearly communicated, and reasonable.	0%	63.64%	27.27%	0%	0%	9.09%
Examinations are conducted without placing undue burden on the company.	0%	63.64%	27.27%	0%	9.09%	0%
Examinations are completed within a reasonable amount of time.	0%	63.64%	36.36%	0%	0%	0%

	Not Applicable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Examination reports and exit briefings address exam issues thoroughly and clearly.	0%	63.64%	27.27%	9.09%	0%	0%
Examination results and required corrective actions are effectively and clearly communicated.	0%	63.64%	27.27%	0%	0%	9.09%
Required corrective actions are considered reasonable to effect compliance.	9.09%	63.64%	18.18%	0%	0%	9.09%
Examination results are provided to the licensee in a timely manner.	0%	63.64%	27.27%	9.09%	0%	0%
Overall, I am satisfied with my experience with the Examination staff.	0%	63.64%	27.27%	0%	0%	9.09%
<b>Total Respondents:</b>						<b>11</b>

6. Indicate your level of agreement with the following statements.

	Not Applicable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The Licensing staff is generally accessible.	0%	42.86%	42.86%	0%	0%	14.29%
The Licensing staff provides timely responses to inquiries and requests.	0%	42.86%	14.29%	0%	28.57%	14.29%
The Licensing staff provides informative responses to inquiries and requests.	0%	42.86%	57.14%	0%	0%	0%
The Licensing staff is professional and courteous.	0%	57.14%	42.86%	0%	0%	0%
The Licensing staff clearly communicates any requests for additional documentation or information.	0%	57.14%	28.57%	14.29%	0%	0%

	Not Applicable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Instructions included with licensing and registration forms are easily understood.	0%	57.14%	58.57%	14.29%	0%	0%
I am satisfied with my overall experience with the licensing section.	0%	66.67%	33.33%	0%	0%	0%
<b>Total Respondents:</b>						<b>7</b>

**7. Indicate your level of agreement with the following statements.**

	Not Applicable	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The Legal staff is generally accessible.	42.86%	14.29%	21.43%	21.43%	0%	0%
The Legal staff provides timely and informative communication.	42.86%	14.29%	21.43%	21.43%	0%	0%
The legal staff is professional.	42.86%	14.29%	28.57%	14.29%	0%	0%
The Legal staff clearly communicates the reasons and rationale regarding decisions, actions, or positions taken by the Legal department.	42.86%	14.29%	14.29%	28.57%	0%	0%
Decisions, actions, or positions taken by the Legal staff are reasonable and fair.	42.86%	14.29%	21.43%	21.43%	0%	0%
I am satisfied with my overall experience with the Legal department.	42.86%	14.29%	28.57%	14.29%	0%	0%
<b>Total Respondents:</b>						<b>14</b>

**8. Please use the box below to provide any additional comments, suggestions, or recommendations you may have for our agency.**

**Total Respondents:**

**2**

## Appendix H: SDSI Vision, Mission, Purpose and Goals

### Vision

As a Semi-Directed, Self-Independent (SDSI) agency, we envision a more effective, responsive, and accountable system for the oversight of the regulated industries.

### Mission

To enable the SDSI agencies to respond more effectively and proactively to the changing needs of our regulated entities, the agency, and the public.

### Purpose

The SDSI status demonstrates the effectiveness of operating independently of the appropriations process. Additionally, it demonstrates that an agency operating independently can become more accountable and responsive to the stakeholders and the legislature.

### Goals

- Provide high quality administration through effective programs and services
- Conduct business in a timely, efficient, and cost effective manner
- Strengthen the public's trust and confidence in the regulated entities
- Improve communication and customer service to all stakeholders
- Protect the public interest through fair and forthright enforcement activities
- Improve operational efficiencies by sharing best practice between the SDSI agencies
- Provide for long term planning to be responsive to a changing global financial environment
- Develop metrics for continuous self-assessment