

NOTICE OF PRECOMMENT DRAFT
RMLO Military Licensing Rule Amendments
July 11, 2025

The Office of Consumer Credit Commissioner (OCCC) has prepared a precomment draft of rule amendments to Title 7, Section 2.108 of the Texas Administrative Code, relating to military licensing for residential mortgage loan originators (RMLOs). The OCCC plans to present the amendments for proposal at the Texas Finance Commission's August 15 meeting.

Summary of Rule Amendments

The precomment draft's rule amendments would implement changes for military service members, military spouses, and veterans under HB 5629 and SB 1818, which the Texas Legislature passed in 2025. The amendments include the following changes to Section 2.108:

- **Clarification of "in good standing":** An amendment to Section 2.108(b) clarifies that the term "in good standing" has the meaning provided by Section 55.0042 of the Texas Occupations Code (a new statutory section added by HB 5629).
- **Expedited license procedure:** Amendments to Section 2.108(d) specify the expedited licensing procedure under Sections 55.004 and 55.005 of the Occupations Code, as amended by HB 5629 and SB 1818. This includes HB 5629's technical changes and SB 1818's changes related to provisional licenses.
- **Recognizing out-of-state licenses:** Amendments to Section 2.108(e) specify the recognition of out-of-state under Section 55.0041 of the Occupations Code, as amended by HB 5629 and SB 1818. This includes HB 5629's technical changes and SB 1818's changes related to provisional licenses.

Submission of Informal Precomments

Informal precomments on the draft rules may be submitted by email to rule.comments@occc.texas.gov, or by mail to Matthew Nance, General Counsel, Office of Consumer Credit Commissioner, 2601 North Lamar Blvd., Austin, Texas 78705.

Precomments submitted to the OCCC are generally public. Please redact all confidential information before submitting precomments to the OCCC.

Informal precomments on the OCCC's July 11 precomment draft must be received by 5:00 p.m. on July 28, 2025.

**OCCC RMLO Military Licensing Rule Amendments
Implementing HB 5629 & SB 1818 (2025)**

7/11/2025 Precomment Draft

Title 7, Texas Administrative Code

Part 1. Finance Commission of Texas

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

Subchapter A. Application Procedures

§2.108. Military Licensing

(a) Purpose. The purpose of this section is to specify residential mortgage loan originator licensing requirements for military service members, military veterans, and military spouses, in accordance with Texas Occupations Code, Chapter 55.

(b) Definitions. In this section: ~~[, the terms "military service member," "military spouse," and "military veteran" have the meanings provided by Texas Occupations Code, §55.001.]~~

(1) The terms "military service member," "military spouse," and "military veteran" have the meanings provided by Texas Occupations Code, §55.001.

(2) The term "in good standing" has the meaning provided by Texas Occupations Code, §55.0042.

(c) Late renewal. As provided by Texas Occupations Code, §55.002, an individual is exempt from any increased fee or other penalty for failing to renew a residential mortgage loan originator license in a timely manner, if the individual establishes to the satisfaction of the OCCC that the individual failed to renew the license in a timely manner because the individual was serving as a military service member.

(d) Expedited license procedure under ~~[As provided by]~~ Texas Occupations Code, §55.004 and §55.005, ~~[, no later than the 30th day after the OCCC receives a complete residential mortgage loan originator license application from a qualifying applicant who is a military service member, military veteran, or military spouse, the OCCC will process the application and issue a license to the applicant, if the applicant:]~~

(1) The expedited license procedure in this subsection applies to a qualifying applicant who is a military service member, military veteran, or military spouse, if the applicant: [holds a current license in another jurisdiction as a residential mortgage loan originator in accordance with the S.A.F.E. Mortgage Licensing Act, 12 U.S.C. §§5101-5117; or]

(A) holds a current license in good standing in another state as a residential mortgage loan originator in accordance with the S.A.F.E. Mortgage Licensing Act, 12 U.S.C. §§5101-5117; or

(B) held a residential mortgage loan originator license in Texas within the five years preceding the application date.

(2) After the OCCC receives a complete license application from a qualifying applicant under Texas Occupations Code, §55.004 and this subsection, the OCCC will promptly issue a provisional license to the applicant or issue the license for which the applicant applies. A provisional license expires on the earlier of: [held a residential mortgage loan originator license in Texas within the five years preceding the application date.]

(A) the date the OCCC approves or denies the application; or

(B) the 180th day after the date the provisional license is issued.

(3) Not later than the 10th day after the OCCC receives a complete license application from a qualifying applicant under Texas Occupations Code, §55.004 and this subsection, the OCCC will process the application and either:

(A) approve the license application and issue a license to the applicant; or

(B) if the applicant does not meet the eligibility requirements for a license under Texas Finance Code, Chapter 180, deny the license application or send a notice of intent to deny the application.

(e) Recognition of out-of-state license [Authorization] for military service member or [members and] military spouse [spouses] under Texas Occupations Code, §55.0041.

(1) As provided by Texas Occupations Code, §55.0041, a military service member or military spouse may engage in business as a residential mortgage loan originator if the member or spouse is currently licensed in good standing in another state [jurisdiction] as a residential mortgage loan originator in accordance with the S.A.F.E. Mortgage Licensing Act, 12 U.S.C. §§5101-5117.

(2) Before engaging in business in Texas, the military service member or military spouse must comply with the notification requirements described by Texas Occupations Code, §55.0041(b). If the member or spouse does not obtain a residential mortgage loan originator license in Texas, then the member or spouse is limited to the time period described by Texas Occupations Code, §55.0041(d)-(d-1).

(3) After the OCCC receives the information required by Texas Occupations Code, §55.0041(b) from a qualifying applicant, the OCCC will promptly send a notification under subsection (e)(4) of this section or issue a provisional license to the applicant. A provisional license expires on the earlier of:

or

(A) the date the OCCC sends a notification under subsection (e)(4) of this section;

(B) the 180th day after the date the provisional license is issued.

(4) Not later than the 10th business day after the date the OCCC receives the information required by Texas Occupations Code, §55.0041(b) from a qualifying applicant, the OCCC will notify the applicant that:

(A) the OCCC recognizes the applicant's out-of-state license;

(B) the application is incomplete; or

(C) the OCCC is unable to recognize the applicant's out-of-state license because the OCCC does not issue a license similar in scope of practice to the applicant's license.

(5) [(3)] For purposes of this subsection and Texas Occupations Code, §55.0041, a residential mortgage loan originator license issued in another state [jurisdiction] is similar in scope of practice [substantially equivalent] to a Texas residential mortgage loan originator license if it is issued in accordance with the S.A.F.E. Mortgage Licensing Act, 12 U.S.C. §§5101-5117. The OCCC will verify a license issued in another state [jurisdiction] through NMLS. [The OCCC will review available information in NMLS no later than the 30th day after the military service member or military spouse submits the information required by Texas Occupations Code, §55.0041(b)(1)-(2)].

(f) Credit toward licensing requirements. As provided by Texas Occupations Code, §55.007, with respect to an applicant who is a military service member or military veteran, the OCCC will credit verified military service, training, or education toward the licensing requirements, other than an examination requirement, for a residential mortgage loan originator license, by considering the service, training, or education as part of the applicant's employment history.