

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

The Finance Commission of Texas (commission) adopts amendments to §2.108 (relating to Military Licensing) in 7 TAC Chapter 2, concerning Residential Mortgage Loan Originators Regulated by the Office of Consumer Credit Commissioner.

The commission adopts the amendments to §2.108 without changes to the proposed text as published in the August 29, 2025, issue of the *Texas Register* (50 TexReg 5513). The amendments will not be republished.

The rules in 7 TAC Chapter 2 govern residential mortgage loan originators (RMLOs) licensed by the Office of Consumer Credit Commissioner (OCCC) under Texas Finance Code, Chapter 180. In general, the purpose of the adopted rule changes is to specify RMLO licensing requirements for military service members, military veterans, and military spouses, in accordance with Chapter 55 of the Texas Occupations Code, as amended by HB 5629 and SB 1818 (2025).

The OCCC distributed an early precomment draft of proposed changes to interested stakeholders for review. The OCCC did not receive any precomments from stakeholders on the draft of the proposed changes.

Chapter 55 of the Texas Occupations Code describes licensing requirements for military service members, military veterans, and military spouses. Chapter 55 applies to licenses that "must be obtained by an individual to engage in a particular business." Tex. Occ. Code §55.001(3). Chapter 55

includes an expedited license application procedure for certain previously licensed individuals and authorizes certain individuals licensed in other states to engage in licensed occupations in Texas.

HB 5629, which the Texas Legislature passed in 2025, amends various provisions in Chapter 55. Specifically, HB 5629 revises language in Texas Occupations Code, §55.004, on issuing a license to a service member, veteran, or spouse holding a license issued by another state. HB 5629 also amends Texas Occupations Code, §55.0041, to specify documentation required for a service member or spouse to obtain an authorization to practice in Texas based on holding a license in another state. In addition, HB 5629 adds new Texas Occupations Code, §55.0042, describing how a state agency determines whether a person is "in good standing" with another state's licensing authority. Finally, HB 5629 amends Texas Occupations Code, §55.005, to specify a 10-business-day period for issuing a license to an applicant who qualifies under Texas Occupations Code, §55.004. HB 5629 was approved by the governor and went into effect on September 1, 2025.

SB 1818, which the Texas Legislature passed in 2025, also amends Chapter 55. Specifically, SB 1818 amends Texas Occupations Code, §55.004 and §55.0041, to describe circumstances where an agency issues a provisional license and the duration of a provisional license. SB 1818 was approved by the governor and went into effect on September 1, 2025.

Adopted amendments to §2.108 implement the statutory amendments from HB 5629 and SB 1818 for RMLOs licensed by the OCCC. Amendments to §2.108(b) clarify that the term "in good standing" has the meaning provided by Texas Occupations Code, §55.0042 (a new statutory section added by HB 5629). Amendments to §2.108(d) specify the expedited licensing procedure under Texas Occupations Code, §55.004 and §55.005 (as amended by HB 5629 and SB 1818). Finally, amendments to §2.108(e) specify the recognition of out-of-state under Texas Occupations Code, §55.0041 (as amended by HB 5629 and SB 1818). This includes HB 5629's technical changes and SB 1818's changes related to provisional licenses. Other clarifying amendments throughout §2.108 improve the section's structure and readability.

The commission did not receive any official comments on the proposed amendments.

The rule amendments are adopted under Texas Occupations Code, §55.004 and §55.0041 (as amended by HB 5629 and SB 1818), which authorize a state agency to adopt rules implementing requirements of Texas Occupations Code, Chapter 55. The rule amendments are also adopted under Section 7 of HB 5629, which authorizes a state agency to adopt or modify rules to implement HB 5629's changes, and Section 3 of SB 1818, which authorizes a state agency to adopt rules to implement SB 1818's changes. In addition, Texas Finance Code, §180.004 authorizes the commission to implement rules to comply with Texas Finance Code, Chapter 180.

The statutory provisions affected by the adoption are contained in Texas Occupations

Code, Chapter 55 and Texas Finance Code, Chapter 180.

§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~~

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~~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:

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

(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.

Certification

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

Issued in Austin, Texas on October 24, 2025.

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