Texas Department of Savings and Mortgage Lending (TX-SML)  
Pre-licensure Education (PE) Notice

Purpose
The purpose of this notice is to inform NMLS-approved course providers of the required topics to be covered in the 3-hour state specific pre-licensure education (PE) requirement which must be met as a condition for obtaining a mortgage loan originator (MLO) license from the Texas Department of Savings and Mortgage Lending (TX-SML).

TX-SML’s PE requirements are as follows:

- 3 hours of Federal Law;
- 3 hours of Ethics;
- 2 hours lending standards for Non-Traditional mortgage products;
- 12 hours of General Electives;
- 3 hours of Texas state-specific defined electives

**Total PE: 23 hours**

TX-SML has established the following requirements for the 3 hours of state-specific PE:

**Required Topics List:**

- In depth coverage of the requirements for Texas Home Equity Loans and Texas Reverse Mortgages.

- In depth coverage of the requirements when Judicial v. Non-Judicial Foreclosures are required.

- In depth coverage of the licensing requirements for mortgage loan originators and independent loan processors or underwriters.

- In depth coverage of TX-SML’s operations, compliance, and enforcement standards and requirements as detailed in its rules. [Such content shall include Texas-specific advertising requirements, approval letters (forms A&B) requirements, enforcement or disciplinary actions, administrative hearings, and recovery fund claims.]

- Overview of TX-SML’s examination procedures as detailed on its website at [https://www.sml.texas.gov/mortgage-origination/examination/] [Such content shall include the following: the required books and records, required fields on the mortgage transaction log, covered areas of consumer protection, and the required disclosures].
References:

Texas Home Equity: Article XVI, Section 50(a)(6) and (f) of the Texas Constitution
Texas Reverse Mortgage: Article XVI, Section 50(k) of the Texas Constitution
Advertising: Texas Administrative Code Title 7 Section 80.203 & 81.203
Texas Finance Code Section 180.151
Loan Status Forms: Texas Administrative Code Title 7 Section 80.201 & 81.201
Required Disclosures: Texas Administrative Code Title 7 Section 80.200 & 81.200
Licensing – General 180.051: Texas Finance Code Section 156.201, 157.012 & Section 156.205
License reinstatement after expiration: Texas Finance Code Section 156.2081 & 157.016
Enforcement: Texas Administrative Code Title 7 Section 80.301 & 81.301
Administrative Hearings: Texas Administrative Code Title 7 Section 80.302 & 81.302
Books & Records: Texas Administrative Code Title 7 Section 80.204 & 81.204
Consumer Complaints: Texas Administrative Code Title 7 Section 80.301 & 81.301
Remote Work Requirements: Texas Administrative Code Title 7 Section 80.206 & 81.206

NMLS Approving Authority

In accordance with the SAFE Act, NMLS is the approval authority for courses that are intended to satisfy the PE & CE requirement for an MLO to be licensed by a state-agency. Courses intending to satisfy these requirements must also meet NMLS course approval standards as detailed in the Functional Specification for All NMLS Approved Courses.

Legislative Updates

Course providers are responsible for keeping abreast of changes made to the applicable statutes, regulations and rules.