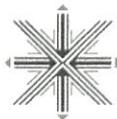


JUL 16 2018



CAYETANO

June 26, 2018

Sunset Advisory Commission
Ms. Jennifer Jones
P.O. Box 13066
Austin, TX 78711

Dear Ms. Jones:

On May 23, 2018, I submitted comments to the Sunset Advisory Commission regarding my opposition to the Sunset Commission's recommendation to consolidate it into the larger Department of Banking. Upon review, I realized that some of my comments could be misunderstood. To avoid any confusion, I would like to revise and extend my remarks on the subject as follows:

As a small business-owner/developer/seller financier/mortgage originator/etc.... doing business in the State of Texas, I am writing in support of the Texas Department of Savings and Mortgage Lending (TDSML), and in opposition of the Sunset Commission's recent recommendation to collapse it into the larger Department of Banking.

In my business, I service lower income Texans by opening doors of opportunity to homeownership, and work to revitalize struggling neighborhoods. My focus is on families and properties that have been passed over by traditional lending institutions. Because of this, I am concerned with this "one-size-fits-all" approach to our industry, from both a business perspective as well as from that of the consumer. My industry is not a large, powerful, politically connected institution; we are individuals. We are not bankers; depositories; mortgage brokers; money servicers; and we do not sell our loans on the secondary market. We are concerned with the possibility of being regulated as such.

Moreover, residential mortgage transactions – with or without a domicile – are already subject to the Texas Secure & Fair Enforcement for Mortgage Licensing Act of 2009, which gives the State of Texas purview in its enforcement of the Federal Safe Act. Like so many federal laws, it requires pre-clearance by the Consumer Federal Protection Bureau (CFPB).

Because of these concerns, I strongly believe that the structure and current portfolio assignments of the Finance Commission and its constituent agencies remain "as is," with the specific continuation of the Department of Savings and Mortgage Lending as the state regulator for owner financiers.

Respectfully,

A handwritten signature in blue ink, appearing to read 'KW Bennett'.

Kyndel W. Bennett
CEO

From: [Sunset Advisory Commission](#)
To: [Janet Wood](#)
Subject: FW: Public Input Form for Agencies Under Review (Public/After Publication)
Date: Wednesday, May 23, 2018 1:29:54 PM

-----Original Message-----

From: sundrupal@capitol.local [<mailto:sundrupal@capitol.local>]
Sent: Wednesday, May 23, 2018 9:52 AM
To: Sunset Advisory Commission <Sunset@sunset.texas.gov>
Subject: Public Input Form for Agencies Under Review (Public/After Publication)

Agency: OFFICE COMMISSIONER AND DEPARTMENT SAVINGS AND MORTGAGE LENDING

First Name: Kyndel

Last Name: Bennett

Title: CEO

Organization you are affiliated with: Cayetano Development

Email: kbennett@cayetanodevelopment.com

City: Austin

State: Texas

Your Comments About the Staff Report, Including Recommendations Supported or Opposed:
May 23, 2018

As a small business-owner/developer/seller financier/mortgage originator/etc.... doing business in the State of Texas, I am writing in support of the Texas Department of Savings and Mortgage Lending (TDSML), and in opposition of the Sunset Commission's recent recommendation to collapse it into the larger Department of Banking.

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Since the last Sunset Review, the Legislature has systematically expanded the regulatory function of the TDSML, and concentrated mortgage regulation within that Department. The Legislature has elected to transfer some mortgage regulator functions from the Office of Consumer Credit Commission to the TDSML, causing that agency to have the most experienced examiners, licensing personnel, and other staff related to the mortgage industry, especially in regard to non-depository mortgage lenders, such as owner financiers.

Moreover, residential mortgage transactions – with or without a domicile – are already subject to the Texas Secure & Fair Enforcement for Mortgage Licensing Act of 2009, which gives the State of Texas purview in its enforcement of the Federal Safe Act. Like so many federal laws, it requires pre-clearance by the Consumer Federal Protection Bureau (CFPB).

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Respectfully,

Kyndel W Bennett
CEO

Any Alternative or New Recommendations on This Agency: No

My Comment Will Be Made Public: I agree