

From: [Sunset Advisory Commission](#)
To: [Janet Wood](#)
Subject: FW: Public Input Form for Agencies Under Review (Public/After Publication)
Date: Wednesday, May 23, 2018 1:30:05 PM

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

From: sundrupal@capitol.local [<mailto:sundrupal@capitol.local>]
Sent: Wednesday, May 23, 2018 9:29 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: Robert

Last Name: Repass

Title: Managing Director

Organization you are affiliated with: Colonial Funding Group, LLC

Email: BobR@colonialfundinggroup.com

City: Southlake

State: Texas

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

As a small business-owner and seller financier 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.

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 seller 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).

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.

Any Alternative or New Recommendations on This Agency: 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.

My Comment Will Be Made Public: I agree