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To: Clients and Friends

From: David F. Dulock

Subject: 7 TAC Chapters 80 and 81 - Texas Residential Mortgage Loan Companies
Definition of Physical Office (§§80.2 and 80.206); Mortgage Bankers
Definition of Physical Office (§§81.2 and 81.206)

Effective January 7, 2018, the Finance Commission of Texas on behalf of the Department of Savings and Mortgage Lending revised the definition of "physical office" for residential mortgage loan companies and mortgage bankers, as follows:

§80.2. Definitions.

(10) "Physical Office" means an actual office where the business of mortgage lending and/or the business of taking or soliciting residential mortgage loan applications are conducted. ~~[It must have a street address. A post office box or other similar designation will not suffice. It must be accessible to the general public as a place of business and must hold itself open on a regular basis during posted hours. The hours of business must be posted in a manner to give effective notice to walk-up traffic as to the hours of opening and closing. Normally this will require posting of the hours on an exterior door or window of the office. In those instances where the physical office is in a shared office suite or building, the hours may be posted in a common lobby or reception area. During the hours in which the physical office is open, at least one staff member must be present to assist customers. The physical office of a licensee need not be the location at which such person's required records are maintained, but the location at which such required records are maintained must be accessible to the Commissioner or the Commissioner's designee for inspection during normal business hours.]~~

§80.206. Physical Office.

(a) A Physical Office must:

(1) have a physical or street address. A post office box or other similar designation will not suffice.

(2) be accessible to the general public as a place of business and must hold itself open on a regular basis during posted hours. The hours of business must be posted in a manner to give effective notice to walk-up traffic as to the hours of opening and closing. Normally this will require posting of the hours on an exterior door or window of the office. In those instances where the physical office is in a shared office suite or building, the hours may be posted in a common lobby or reception area.

(3) have at least one (1) staff member present to assist customers during the hours in which the Physical Office is open.

(b) The Physical Office of a licensee need not be the location at which such person's required records are maintained, but the location at which such required records are maintained must be accessible to the Commissioner or the Commissioner's designee for inspection during normal business hours.

(2 pages)

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These amendments to 7 TAC Chapters 80 and 81 defining the physical office of residential mortgage loan companies and mortgage bankers, respectively, are not substantial in content. They merely divide the existing definition of a physical office into separate sections: §§80.2 and 81.2, respectively, retaining a statement of the purpose of the office, while the specific requirements for the office are moved to new §§80.206 and 81.206, respectively.

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