



Ohio Revised Code Section 1322.04 Applicability.

Effective: September 15, 2014

Legislation: House Bill 483 - 130th General Assembly

(A) Upon the conclusion of the investigation required under division (B) of section 1322.03 of the Revised Code, the superintendent of financial institutions shall issue a certificate of registration to the applicant if the superintendent finds that the following conditions are met:

(1) The application is accompanied by the application fee and any fee required by the nationwide mortgage licensing system and registry.

(a) If a check or other draft instrument is returned to the superintendent for insufficient funds, the superintendent shall notify the applicant by certified mail, return receipt requested, that the application will be withdrawn unless the applicant, within thirty days after receipt of the notice, submits the application fee and a one-hundred-dollar penalty to the superintendent. If the applicant does not submit the application fee and penalty within that time period, or if any check or other draft instrument used to pay the fee or penalty is returned to the superintendent for insufficient funds, the application shall be withdrawn.

(b) If a check or other draft instrument is returned to the superintendent for insufficient funds after the certificate of registration has been issued, the superintendent shall notify the registrant by certified mail, return receipt requested, that the certificate of registration issued in reliance on the check or other draft instrument will be canceled unless the registrant, within thirty days after receipt of the notice, submits the application fee and a one-hundred-dollar penalty to the superintendent. If the registrant does not submit the application fee and penalty within that time period, or if any check or other draft instrument used to pay the fee or penalty is returned to the superintendent for insufficient funds, the certificate of registration shall be canceled immediately without a hearing, and the registrant shall cease activity as a mortgage broker.

(2) If the application is for a location that is a residence, evidence that the use of the residence to transact business as a mortgage broker is not prohibited.



(3) The person designated on the application pursuant to division (A)(3) of section 1322.03 of the Revised Code meets the experience requirements provided in division (A)(4) of section 1322.03 of the Revised Code and the education requirements set forth in division (A)(5) of section 1322.03 of the Revised Code.

(4) The applicant maintains all necessary filings and approvals required by the secretary of state.

(5) The applicant complies with the surety bond requirements of section 1322.05 of the Revised Code.

(6) The applicant complies with sections 1322.01 to 1322.12 of the Revised Code and the rules adopted thereunder.

(7) Neither the applicant nor any person whose identity is required to be disclosed on an application for a mortgage broker certificate of registration has had a mortgage broker certificate of registration or loan originator license, or any comparable authority, revoked in any governmental jurisdiction or has pleaded guilty or nolo contendere to or been convicted of any of the following in a domestic, foreign, or military court:

(a) During the seven-year period immediately preceding the date of application for the certificate of registration, a misdemeanor involving theft or any felony;

(b) At any time prior to the date the application for the certificate of registration is approved, a felony involving an act of fraud, dishonesty, a breach of trust, theft, or money laundering.

(8) Based on the totality of the circumstances and information submitted in the application, the applicant has proven to the superintendent, by a preponderance of the evidence, that the applicant is of good business repute, appears qualified to act as a mortgage broker, has fully complied with sections 1322.01 to 1322.12 of the Revised Code and the rules adopted thereunder, and meets all of the conditions for issuing a mortgage broker certificate of registration.

(9) The applicant's operations manager successfully completed the examination required by section 1322.051 of the Revised Code.



(10) The applicant's financial responsibility, experience, character, and general fitness command the confidence of the public and warrant the belief that the business will be operated honestly and fairly in compliance with the purposes of sections 1322.01 to 1322.12 of the Revised Code and the rules adopted thereunder. The superintendent shall not use a credit score as the sole basis for registration denial.

(B) For purposes of determining whether an applicant that is a partnership, corporation, or other business entity or association has met the conditions set forth in divisions (A)(7), (A)(8), and (A)(10) of this section, the superintendent shall determine which partners, shareholders, or persons named in the application pursuant to division (A)(2) of section 1322.03 of the Revised Code must meet the conditions set forth in divisions (A)(7), (A)(8), and (A)(10) of this section. This determination shall be based on the extent and nature of the partner's, shareholder's, or person's ownership interest in the partnership, corporation, or other business entity or association that is the applicant and on whether the person is in a position to direct, control, or adversely influence the operations of the applicant.

(C) The certificate of registration issued pursuant to division (A) of this section may be renewed annually on or before the thirty-first day of December if the superintendent finds that all of the following conditions are met:

(1) The renewal application is accompanied by a nonrefundable renewal fee of five hundred dollars for each location of an office to be maintained by the applicant in accordance with division (A) of section 1322.02 of the Revised Code and any fee required by the nationwide mortgage licensing system and registry. If a check or other draft instrument is returned to the superintendent for insufficient funds, the superintendent shall notify the registrant by certified mail, return receipt requested, that the certificate of registration renewed in reliance on the check or other draft instrument will be canceled unless the registrant, within thirty days after receipt of the notice, submits the renewal fee and a one-hundred-dollar penalty to the superintendent. If the registrant does not submit the renewal fee and penalty within that time period, or if any check or other draft instrument used to pay the fee or penalty is returned to the superintendent for insufficient funds, the certificate of registration shall be canceled immediately without a hearing and the registrant shall cease activity as a mortgage broker.



(2) The operations manager designated under division (A)(3) of section 1322.03 of the Revised Code has completed, at least eight hours of continuing education as required under section 1322.052 of the Revised Code.

(3) The applicant meets the conditions set forth in divisions (A)(2) to (10) of this section.

(4) The applicant's mortgage broker certificate of registration is not subject to an order of suspension or an unpaid and past due fine imposed by the superintendent.

(D)(1) Subject to division (D)(2) of this section, if a renewal fee or additional fee required by the nationwide mortgage licensing system and registry is received by the superintendent after the thirty-first day of December, the mortgage broker certificate of registration shall not be considered renewed, and the applicant shall cease activity as a mortgage broker.

(2) Division (D)(1) of this section shall not apply if the applicant, no later than the thirty-first day of January, submits the renewal fee or additional fee and a one-hundred-dollar penalty to the superintendent.

(E) If the person designated as the operations manager pursuant to division (A)(3) of section 1322.03 of the Revised Code is no longer the operations manager, the registrant shall do all of the following:

(1) Within ninety days after the departure of the designated operations manager, designate another person as the operations manager;

(2) Within ten days after the designation described in division (E)(1) of this section, notify the superintendent in writing of the designation;

(3) Submit any additional information that the superintendent requires to establish that the newly designated operations manager complies with the requirements set forth in section 1322.03 of the Revised Code.



(F) The registrant shall cease operations if it is without an operations manager approved by the superintendent for more than one hundred eighty days unless otherwise authorized in writing by the superintendent due to exigent circumstances.

(G) Mortgage broker certificates of registration issued on or after May 1, 2010, annually expire on the thirty-first day of December.