

5 _____ moved to amend as follows:

6 Engross the bill as directed by the commands in the
7 amendments attached hereto, ignoring matter extraneous to those
8 commands

9 INDEX

10 The following amendments are attached hereto:

Amendment No.
HC-1365-1
HC-1737-3
HC-1843
HC-1876-1
HC-2020-1
HC-2021
HC-2031-1
HC-2032
HC-2037
HC-2049
HC-2058
HC-2059
HC-2061

Amendment No.
HC-2064
HC-2077
HC-2080
HC-2086
HC-2096
HC-2108
HC-2134
HC-2150
HC-2151
HC-2157
HC-2159
HC-2160-1
HC-2162
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HC-2165
HC-2166
HC-2167-1
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HC-2212
HC-2216-1
HC-2217-1
HC-2241

Amendment No.
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HC-2245
HC-2255-2
HC-2257
HC-2273
HC-2274
HC-2278
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HC-2515

11 The motion was _____ agreed to.

1 128HB1-HC1365X1.docx/emr

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Sub. H.B. 1
LSC 128 0516-4
HC-1365-1

5 _____ moved to amend as follows:

6 In line 107730, delete "\$300,000 \$300,000" and insert
7 "\$375,000 \$375,000"

8 In line 107790, add \$75,000 to each fiscal year

9 In line 107818, add \$75,000 to each fiscal year

10 The motion was _____ agreed to.

11 SYNOPSIS

12 **Board of Regents**

13 **Section 371.10**

14 Increases GRF appropriation item 235402, Sea Grants, by
15 \$75,000 in each fiscal year.

5 _____ moved to amend as follows:

6 In line 110234, delete "771411" and insert "771412"; delete
7 "State" and insert "Federal"

8 In line 110241, after "infrastructure" insert "to connect
9 with surface transportation"

10 The motion was _____ agreed to.

11 SYNOPSIS

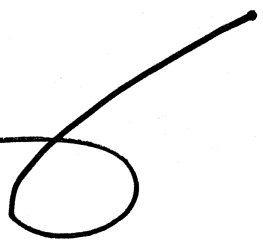
12 **Southeastern Ohio Port Authority Container-on-Barge Study**

13 **Section 503.95**

14 Changes the line item that will fund the container-on-barge
15 study from HOF appropriation item 771411, Planning and Research
16 - State, to HOF appropriation item 771412, Planning and Research
17 - Federal.

18 Specifies that the study is to take into account required
19 infrastructure *to connect with surface transportation.*

Sub. H.B. 1
LSC 128 0516-4
HC-1843



_____ moved to amend as follows:

- In line 332, after "121.04," insert "121.07," 1
- In line 352, after "955.201," insert "1321.20, 1321.51,
1321.52, 1321.53, 1321.54, 1321.55, 1321.551, 1321.57, 1321.59,
1321.60, 1321.99, 1322.01, 1322.02," 2
3
4
- In line 353, after "1322.041," insert "1322.05, 1322.051,
1322.052, 1322.06, 1322.061, 1322.062, 1322.063, 1322.064,
1322.07, 1322.071, 1322.072, 1322.074, 1322.075, 1322.08,
1322.081, 1322.09, 1322.10, 1322.11," 5
6
7
8
- In line 355, after "1332.25," insert "1343.011, 1345.01,
1345.05, 1345.09,"; after "1347.08," insert "1349.31, 1349.43," 9
10
- In line 493, after "943.031," insert "1321.521, 1321.531,
1321.532, 1321.533, 1321.534, 1321.535, 1321.536, 1321.552,
1321.591, 1321.592, 1321.593, 1321.594, 1321.595, 1322.022,
1322.023, 1322.024, 1322.065," 11
12
13
14
- In line 1340, after the comma insert "1321.53, 1321.531," 15
- In line 1431, after the fourth comma insert "1321.53,
1321.531," 16
17
- In line 1447, after the first underlined comma insert 18
"1321.53, 1321.531," 19
- In line 1472, after the sixth comma insert "1321.53, 20

1321.531," 21

In line 1489, after the fifth comma insert "1321.53, 22
1321.531," 23

In line 1513, after the first comma insert "1321.53, 24
1321.531," 25

Between lines 2147 and 2148, insert: 26

"Sec. 121.07. (A) ~~Except as otherwise provided in this~~ 27
~~division, the~~ The officers mentioned in sections 121.04 and 121.05 28
of the Revised Code and the offices and divisions they administer 29
shall be under the direction, supervision, and control of the 30
directors of their respective departments, and shall perform such 31
duties as the directors prescribe. ~~In performing or exercising any~~ 32
~~of the examination or regulatory functions, powers, or duties~~ 33
~~vested by Title XI, Chapters 1733. and 1761., and sections 1315.01~~ 34
~~to 1315.18 of the Revised Code in the superintendent of financial~~ 35
~~institutions, the superintendent of financial institutions and the~~ 36
~~division of financial institutions are independent of and are not~~ 37
~~subject to the control of the department or the director of~~ 38
~~commerce.~~ 39

(B) With the approval of the governor, the director of each 40
department shall establish divisions within the department, and 41
distribute the work of the department among such divisions. Each 42
officer created by section 121.04 of the Revised Code shall be the 43
head of such a division. 44

With the approval of the governor, the director of each 45
department may consolidate any two or more of the offices created 46
in the department by section 121.04 of the Revised Code, or reduce 47
the number of or create new divisions therein. 48

The director of each department may prescribe rules for the 49
government of the department, the conduct of its employees, the 50

performance of its business, and the custody, use, and 51
 preservation of the records, papers, books, documents, and 52
 property pertaining thereto." 53

Between lines 16955 and 16956, insert: 54

"Sec. 1321.20. (A) Every person licensed or registered under 55
 this chapter shall pay to the superintendent of financial 56
 institutions, prior to the last day of June, an annual license or 57
 certificate of registration fee. On or about the fifteenth day of 58
 April of each year, the superintendent shall determine the license 59
 or certificate fees to be charged, pursuant to sections 1321.03, 60
 1321.05, ~~1321.53~~, and 1321.73 of the Revised Code. Such 61
 determination shall be made by dividing the appropriation for the 62
 consumer finance section of the division of financial institutions 63
 for the current fiscal year by the number of licenses and 64
 certificates issued as of the date of the computation. In no event 65
 shall the amount of the fee exceed three hundred dollars, except 66
 that the maximum fee which may be charged insurance premium 67
 finance companies licensed under section 1321.73 of the Revised 68
 Code shall not exceed three hundred seventy-five dollars. Prior to 69
 the first day of June of each year, the superintendent shall 70
 inform each person licensed or registered under this chapter of 71
 the amount of the license or certificate fee for the succeeding 72
 fiscal year as determined by this section. 73

(B) (1) Each person licensed under Chapter 4727. of the 74
 Revised Code who is subject to annual license renewal under 75
 division (E) (1) of section 4727.03 of the Revised Code shall, 76
 prior to the last day of June, pay to the superintendent a fee 77
 equal to twice the amount of the fee determined by the 78
 superintendent pursuant to division (A) of this section. However, 79
 in no event shall the amount of the fee exceed three hundred 80
 dollars. 81

(2) Each person licensed under Chapter 4727. of the Revised Code who is subject to biennial license renewal under division (E) (2) of section 4727.03 of the Revised Code shall, prior to the date the license expires, pay to the superintendent a fee equal to four times the amount of the fee determined by the superintendent pursuant to division (A) of this section. However, in no event shall the amount of the fee exceed six hundred dollars.

(C) The fee for a license or certificate issued pursuant to Chapter 1321., 4727., or 4728. of the Revised Code after the first day of January of the year the license or certificate expires shall be equal to one-half the amount determined according to divisions (A) and (B) of this section or in accordance with section 4728.03 of the Revised Code.

(D) If the renewal fees billed by the superintendent pursuant to divisions (A) and (B) of this section are less than the estimated expenditures of the consumer finance section of the division of financial institutions, as determined by the superintendent, for the following fiscal year, the superintendent may assess each person licensed pursuant to section 1321.04 ~~or registered pursuant to section 1321.53~~ of the Revised Code at a rate sufficient to equal in the aggregate the difference between the renewal fees billed and the estimated expenditures. Each person shall pay the assessed amount to the superintendent prior to the last day of June. In no case shall the assessment exceed ten cents per each one hundred dollars of interest (excluding charge-off recoveries), points, loan origination charges, and credit line charges collected by that person during the previous calendar year. If an assessment is imposed under this division, it shall not be less than two hundred fifty dollars per licensee or registrant and shall not exceed thirty thousand dollars less the total renewal fees paid pursuant to division (A) of this section

by each licensee or registrant.	113
Sec. 1321.51. As used in sections 1321.51 to 1321.60 of the Revised Code:	114
(A) "Person" means an individual, partnership, association, trust, corporation, or any other legal entity.	116
(B) "Certificate" means a certificate of registration issued under sections 1321.51 to 1321.60 of the Revised Code.	118
(C) "Registrant" means a person to whom one or more certificates <u>of registration</u> have been issued <u>under sections 1321.51 to 1321.60 of the Revised Code.</u>	120
(D) "Principal amount" means the amount of cash paid to, or paid or payable for the account of, the borrower, and includes any charge, fee, or expense that is financed by the borrower at origination of the loan or during the term of the loan.	123
(E) "Interest" means all charges payable directly or indirectly by a borrower to a registrant as a condition to a loan or an application for a loan, however denominated, but does not include default charges, deferment charges, insurance charges or premiums, court costs, loan origination charges, check collection charges, credit line charges, points, prepayment penalties, or other fees and charges specifically authorized by law.	127
(F) "Interest-bearing loan" means a loan in which the debt is expressed as the principal amount and interest is computed, charged, and collected on unpaid principal balances outstanding from time to time.	134
(G) "Precomputed loan" means a loan in which the debt is a sum comprising the principal amount and the amount of interest computed in advance on the assumption that all scheduled payments will be made when due.	138

(H) "Actuarial method" means the method of allocating 142
payments made on a loan between the principal amount and interest 143
whereby a payment is applied first to the accumulated interest and 144
the remainder to the unpaid principal amount. 145

(I) "Applicable charge" means the amount of interest 146
attributable to each monthly installment period of the loan 147
contract. The applicable charge is computed as if each installment 148
period were one month and any charge for extending the first 149
installment period beyond one month is ignored. In the case of 150
loans originally scheduled to be repaid in sixty-one months or 151
less, the applicable charge for any installment period is that 152
proportion of the total interest contracted for, as the balance 153
scheduled to be outstanding during that period bears to the sum of 154
all of the periodic balances, all determined according to the 155
payment schedule originally contracted for. In all other cases, 156
the applicable charge for any installment period is that which 157
would have been made for such period had the loan been made on an 158
interest-bearing basis, based upon the assumption that all 159
payments were made according to schedule. 160

(J) "Broker" means a person who acts as an intermediary or 161
agent in finding, arranging, or negotiating loans, other than 162
residential mortgage loans, and charges or receives a fee for 163
these services. 164

(K) "Annual percentage rate" means the ratio of the interest 165
on a loan to the unpaid principal balances on the loan for any 166
period of time, expressed on an annual basis. 167

(L) "Point" means a charge equal to one per cent of either of 168
the following: 169

(1) The principal amount of a precomputed loan or 170
interest-bearing loan; 171

(2) The original credit line of an open-end loan.	172
(M) "Prepayment penalty" means a charge for prepayment of a loan at any time prior to five years from the date the loan contract is executed.	173 174 175
(N) "Refinancing" means a loan the proceeds of which are used in whole or in part to pay the unpaid balance of a prior loan made by the same registrant to the same borrower under sections 1321.51 to 1321.60 of the Revised Code.	176 177 178 179
(O) "Superintendent of financial institutions" includes the deputy superintendent for consumer finance as provided in section 1181.21 of the Revised Code.	180 181 182
<u>(P) (1) "Mortgage loan originator" means an individual who for compensation or gain, or in anticipation of compensation or gain, does any of the following:</u>	183 184 185
<u>(a) Takes or offers to take a residential mortgage loan application;</u>	186 187
<u>(b) Assists or offers to assist a borrower in obtaining or applying to obtain a residential mortgage loan by, among other things, advising on loan terms, including rates, fees, and other costs;</u>	188 189 190 191
<u>(c) Offers or negotiates terms of a residential mortgage loan;</u>	192 193
<u>(d) Issues or offers to issue a commitment for a residential mortgage loan to a borrower.</u>	194 195
<u>(2) "Mortgage loan originator" does not include any of the following:</u>	196 197
<u>(a) An individual who performs purely administrative or clerical tasks on behalf of a mortgage loan originator;</u>	198 199
<u>(b) A person licensed pursuant to Chapter 4735. of the</u>	200

Revised Code, or under the similar law of another state, who performs only real estate brokerage activities permitted by that license, provided the person is not compensated by a mortgage lender, mortgage broker, mortgage loan originator, or by any agent thereof;

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(c) A person solely involved in extensions of credit relating to timeshare plans, as that term is defined in 11 U.S.C. 101, in effect on January 1, 2008;

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(d) A person acting solely as a loan processor or underwriter, who does not represent to the public, through advertising or other means of communicating, including the use of business cards, stationery, brochures, signs, rate lists, or other promotional items, that the person can or will perform any of the activities of a mortgage loan originator;

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(e) A loan originator licensed under sections 1322.01 to 1322.12 of the Revised Code, when acting solely under that authority;

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(f) A licensed attorney who negotiates the terms of a residential mortgage loan on behalf of a client as an ancillary matter to the attorney's representation of the client, unless the attorney is compensated by a lender, a mortgage broker, or another mortgage loan originator, or by any agent thereof;

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(g) Any person engaged in the retail sale of manufactured or mobile homes if, in connection with financing those retail sales, the person only assists the borrower by providing or transmitting the loan application and does not do any of the following:

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(i) Offer or negotiate the residential mortgage loan rates or terms;

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(ii) Provide any counseling with borrowers about residential mortgage loan rates or terms;

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(iii) Receive any payment or fee from any company or individual for assisting the borrower obtain or apply for financing to purchase the manufactured or mobile home; 231
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(iv) Assist the borrower in completing the residential mortgage loan application. 234
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(3) An individual acting exclusively as a servicer engaging in loss mitigation efforts with respect to existing mortgage transactions shall not be considered a mortgage loan originator for purposes of sections 1321.51 to 1321.60 of the Revised Code until July 1, 2011, if such delay is approved by the United States department of housing and urban development. 236
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(O) "Residential mortgage loan" means any loan primarily for personal, family, or household use that is secured by a mortgage on a dwelling or on residential real estate upon which is constructed or intended to be constructed a dwelling. For purposes of this division, "dwelling" has the same meaning as in the "Truth in Lending Act," 82 Stat. 146, 15 U.S.C. 1602. 242
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(R) "Nationwide mortgage licensing system and registry" means a mortgage licensing system developed and maintained by the conference of state bank supervisors and the American association of residential mortgage regulators, or their successor entities, for the licensing and registration of mortgage loan originators, or any system established by the secretary of housing and urban development pursuant to the "Secure and Fair Enforcement for Mortgage Licensing Act of 2008," 122 Stat. 2810, 12 U.S.C. 5101. 248
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(S) "Registered mortgage loan originator" means an individual to whom both of the following apply: 256
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(1) The individual is a mortgage loan originator and an employee of a depository institution, a subsidiary that is owned and controlled by a depository institution and regulated by a 258
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federal banking agency, or an institution regulated by the farm credit administration. 261
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(2) The individual is registered with, and maintains a unique identifier through, the nationwide mortgage licensing system and registry. 263
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(T) "Administrative or clerical tasks" means the receipt, collection, and distribution of information common for the processing or underwriting of a loan in the mortgage industry, and communication with a consumer to obtain information necessary for the processing or underwriting of a residential mortgage loan. 266
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(U) "Federal banking agency" means the board of governors of the federal reserve system, the comptroller of the currency, the director of the office of thrift supervision, the national credit union administration, and the federal deposit insurance corporation. 271
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(V) "Loan processor or underwriter" means an individual who performs clerical or support duties at the direction of and subject to the supervision and instruction of a mortgage loan originator or registered mortgage loan originator. For purposes of this division, "clerical or support duties" includes the following activities: 276
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(1) The receipt, collection, distribution, and analysis of information common for the processing or underwriting of a residential mortgage loan; 282
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(2) Communicating with a borrower to obtain the information necessary for the processing or underwriting of a loan, to the extent the communication does not include offering or negotiating loan rates or terms or counseling borrowers about residential mortgage loan rates or terms. 285
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(W) "Real estate brokerage activity" means any activity that 290

<u>involves offering or providing real estate brokerage services to</u>	291
<u>the public, including all of the following:</u>	292
<u>(1) Acting as a real estate agent or real estate broker for a</u>	293
<u>buyer, seller, lessor, or lessee of real property;</u>	294
<u>(2) Bringing together parties interested in the sale,</u>	295
<u>purchase, lease, rental, or exchange of real property;</u>	296
<u>(3) Negotiating, on behalf of any party, any portion of a</u>	297
<u>contract relating to the sale, purchase, lease, rental, or</u>	298
<u>exchange of real property, other than in connection with providing</u>	299
<u>financing for any such transaction;</u>	300
<u>(4) Engaging in any activity for which a person engaged in</u>	301
<u>that activity is required to be registered or licensed as a real</u>	302
<u>estate agent or real estate broker under any applicable law;</u>	303
<u>(5) Offering to engage in any activity, or to act in any</u>	304
<u>capacity, described in division (W) of this section.</u>	305
<u>(X) "Licensee" means any person that has been issued a</u>	306
<u>mortgage loan originator license under sections 1321.51 to 1321.60</u>	307
<u>of the Revised Code.</u>	308
<u>(Y) "Unique identifier" means a number or other identifier</u>	309
<u>that permanently identifies a mortgage loan originator and is</u>	310
<u>assigned by protocols established by the nationwide mortgage</u>	311
<u>licensing system and registry or federal banking agencies to</u>	312
<u>facilitate electronic tracking of mortgage loan originators and</u>	313
<u>uniform identification of, and public access to, the employment</u>	314
<u>history of and the publicly adjudicated disciplinary and</u>	315
<u>enforcement actions against mortgage loan originators.</u>	316
<u>(Z) "State" in the context of referring to states in addition</u>	317
<u>to Ohio means any state of the United States, the district of</u>	318
<u>Columbia, any territory of the United States, Puerto Rico, Guam,</u>	319
<u>American Samoa, the trust territory of the Pacific islands, the</u>	320

virgin islands, and the northern Mariana islands.

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(AA) "Depository institution" has the same meaning as in section 3 of the "Federal Deposit Insurance Act," 64 Stat. 873, 12 U.S.C. 1813, and includes any credit union doing business under authority granted by the superintendent of financial institutions, the national credit union administration, or the credit union regulatory authority of any other state of the United States.

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(BB) "Bona fide third party" means a person that is not an employee of, related to, or affiliated with, the registrant, and that is not used for the purpose of circumvention or evasion of sections 1321.51 to 1321.60 of the Revised Code.

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(CC) "Nontraditional mortgage product" means any mortgage product other than a thirty-year fixed rate mortgage.

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(DD) "Employee" means an individual for whom a registrant or applicant, in addition to providing a wage or salary, pays social security and unemployment taxes, provides workers' compensation coverage, and withholds local, state, and federal income taxes. "Employee" also includes any individual who acts as a mortgage loan originator or operations manager of the registrant, but for whom the registrant is prevented by law from making income tax withholdings.

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(EE) "Operations manager" means the employee or owner responsible for the everyday operations, compliance requirements, and management of a registrant or applicant that makes or proposes to make loans secured by an interest in real estate.

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(FF) "Consumer reporting agency" has the same meaning as in the "Fair Credit Reporting Act," 84 Stat. 1128, 15 U.S.C. 1681a, as amended.

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(GG) "Mortgage broker" has the same meaning as in section 1322.01 of the Revised Code.

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Sec. 1321.52. (A) (1) No person, on that person's own behalf 351
 or on behalf of any other person, shall do ~~either~~ any of the 352
 following without having first obtained a certificate of 353
 registration from the division of financial institutions: 354

(a) Advertise, solicit, or hold out that the person is 355
 engaged in the business of making residential mortgage loans 356
 secured by a mortgage on a borrower's real estate which is other 357
 than a first lien on the real estate; 358

(b) Engage in the business of lending or collecting the 359
 person's own or another person's money, credit, or choses in 360
 action for ~~such~~ non-first lien residential mortgage loans; 361

(c) Employ or compensate mortgage loan originators licensed 362
or who should be licensed under sections 1321.51 to 1321.60 of the 363
Revised Code to conduct the business of making residential 364
mortgage loans; 365

(d) Make loans in this state of the type set forth in 366
division (C) of this section that are unsecured or are secured by 367
other than real property, which loans are for more than five 368
thousand dollars at a rate of interest greater than permitted by 369
section 1343.01 or other specific provisions of the Revised Code. 370

(2) Each person issued a certificate of registration is 371
 subject to all the rules prescribed under sections 1321.51 to 372
 1321.60 of the Revised Code. 373

(B) (1) All loans made to persons who at the time are 374
 residents of this state are considered as made within this state 375
 and subject to the laws of this state, regardless of any statement 376
 in the contract or note to the contrary, except as follows: 377

(a) If the loan is primarily secured by a lien on real 378
property in another state and is arranged by a mortgage loan 379

originator licensed by that state, the borrower may by choice of 380
law designate that the transaction be governed by the law where 381
the real property is located if the other state has consumer 382
protection laws covering the borrower that are applicable to the 383
transaction. 384

(b) If the loan is for the purpose of purchasing goods 385
acquired by the borrower when the borrower is outside of this 386
state, the loan may be governed by the laws of the other state. 387

(2) Nothing in division (B)(1) of this section prevents a 388
choice of law or requires registration or licensure of persons 389
outside of this state in a transaction involving the solicitation 390
of residents of this state to obtain non-real estate secured loans 391
that require the borrowers to physically visit a lender's 392
out-of-state office to apply for and obtain the disbursement of 393
loan funds. 394

(C) A registrant may make unsecured loans, loans secured by a 395
mortgage on a borrower's real estate which is a first lien or 396
other than a first lien on the real estate, loans secured by other 397
than real estate, and loans secured by any combination of 398
mortgages and security interests, on terms and conditions provided 399
by sections 1321.51 to 1321.60 of the Revised Code. 400

(D) (1) If a lender that is subject to sections 1321.51 to 401
1321.60 of the Revised Code makes a loan in violation of division 402
(A) (1) of this section, the lender has no right to collect, 403
receive, or retain any interest or charges on that loan. 404

(2) If a registrant applies to the division for a renewal of 405
the registrant's certificate after the date required by division 406
~~(A) (4)~~ (A) (8) of section 1321.53 of the Revised Code, but prior to 407
the first day of ~~August~~ February of that year, and the division 408
approves the application, division (D) (1) of this section does not 409
apply with respect to any loan made by the registrant while the 410

registrant's certificate was expired. 411

(3) If a person's registration under sections 1321.51 to 412
1321.60 of the Revised Code terminates due to nonrenewal or 413
otherwise but the person continues to engage in the business of 414
collecting or servicing non-first lien residential mortgage loans 415
in violation of division (A)(1) of this section, the 416
superintendent of financial institutions may take administrative 417
action, including action on any subsequent application for a 418
certificate of registration. In addition, no late fee, bad check 419
charge except as incurred, charge related to default or cost to 420
realize on its security interest, or prepayment penalty on 421
non-first lien residential mortgage loans shall be collected or 422
retained by a person who is in violation of division (A)(1)(b) of 423
this section. Nothing in division (D)(3) of this section prevents 424
or otherwise precludes any other actions or penalties provided by 425
law or modifies a defense of holder in due course that a 426
subsequent purchaser servicing the residential mortgage loan may 427
raise. 428

(E)(1) No individual shall engage in the business of a 429
mortgage loan originator without first obtaining and maintaining 430
annually a license pursuant to section 1321.532 of the Revised 431
Code from the division of financial institutions. A mortgage loan 432
originator shall be employed or associated with a registrant or 433
exempt entity, but shall not be employed by or associated with 434
more than one registrant or exempt entity at any one time. 435

(2) An individual acting under the individual's authority as 436
a registered mortgage loan originator shall not be required to be 437
licensed under division (E)(1) of this section. 438

(F)(1) Each licensee shall register with, and maintain a 439
valid unique identifier issued by, the nationwide mortgage 440
licensing system and registry. 441

(2) No person shall use a licensee's unique identifier for any purpose other than as set forth in the "Secure and Fair Enforcement for Mortgage Licensing Act of 2008," 122 Stat. 2810, 12 U.S.C. 5101.

(G) (1) If a person that is subject to sections 1321.51 to 1321.60 of the Revised Code makes a loan in violation of division (A) (1) (d) of this section and subsequently sells or assigns that loan, the person is liable to the borrower for any interest paid on that loan to the holder or assignee in excess of the rate that would be applicable in the absence of sections 1321.51 to 1321.60 of the Revised Code, in addition to any interest or charges paid on that loan to the unauthorized lender as provided by division (D) (1) of this section.

(2) If a person that is subject to sections 1321.51 to 1321.60 of the Revised Code makes a residential mortgage loan in violation of division (A) (1) (b) or (c) of this section and subsequently sells or assigns that loan, the lender is liable to the borrower for any interest paid on that loan to the holder or assignee in excess of the rate set forth in division (B) (4) of section 1343.01 of the Revised Code, in addition to any interest or charges paid on that loan to the unauthorized lender as provided by division (D) (1) of this section.

Sec. 1321.521. The superintendent of financial institutions may, by rule, expand the definition of mortgage loan originator in section 1321.51 of the Revised Code by adding individuals or may exempt additional individuals or persons from that definition, if the superintendent finds that the addition or exemption is consistent with the purposes fairly intended by the policy and provisions of sections 1321.51 to 1321.60 of the Revised Code and the "Secure and Fair Enforcement for Mortgage Licensing Act of 2008," 122 Stat. 2810, 12 U.S.C. 5101.

Rules authorized by this section shall be adopted in 473
accordance with Chapter 119. of the Revised Code. 474

Sec. 1321.53. (A) (1) An application for a certificate of 475
 registration under sections 1321.51 to 1321.60 of the Revised Code 476
 shall contain an undertaking by the applicant to abide by those 477
 sections. The application shall be in writing, under oath, and in 478
 the form prescribed by the division of financial institutions, 479
~~shall give the location where the business is to be conducted and~~ 480
~~the names and addresses of the partners, officers, or trustees of~~ 481
~~the applicant,~~ and shall contain any ~~further relevant~~ information 482
 that the division may require. Applicants that are foreign 483
 corporations shall obtain and maintain a license pursuant to 484
 Chapter 1703. of the Revised Code before a certificate is issued 485
 or renewed. 486

(2) Upon the filing of the application and the payment by the 487
 applicant of a nonrefundable two hundred dollars as an dollar 488
~~investigation fee and an, a nonrefundable three hundred dollar~~ 489
~~annual registration fee as determined by the superintendent of~~ 490
~~financial institutions pursuant to section 1321.20 of the Revised~~ 491
~~Code, and any additional fee required by the nationwide mortgage~~ 492
~~licensing system and registry,~~ the division shall investigate the 493
 relevant facts. If the application involves investigation outside 494
 this state, the applicant may be required by the division to 495
 advance sufficient funds to pay any of the actual expenses of such 496
 investigation, when it appears that these expenses will exceed two 497
 hundred dollars. An itemized statement of any of these expenses 498
 which the applicant is required to pay shall be furnished to the 499
 applicant by the division. No certificate shall be issued unless 500
all the required fees have been submitted to the division, ~~and no~~ 501
~~registration fee or investigation fee will be returned after a~~ 502
~~certificate has been issued.~~ 503

(3) All applicants making loans secured by an interest in real estate shall designate an employee or owner of the applicant as the applicant's operations manager. While acting as the operations manager, the employee or owner shall not be employed by any other registrant or mortgage broker. Each registrant making residential mortgage loans secured by an interest in real estate shall have a designated operations manager who has at least three years of experience in the mortgage or lending field acceptable to the superintendent, and is a licensed mortgage loan originator.

(4) The investigation undertaken upon application shall include both a civil and criminal records check of the applicant including any individual whose identity is required to be disclosed in the application. Where the applicant is a business entity the superintendent shall have the authority to require a civil and criminal background check of those persons that in the determination of the superintendent have the authority to direct and control the operations of the applicant.

(5)(a) Notwithstanding division (K) of section 121.08 of the Revised Code, the superintendent of financial institutions shall obtain a criminal history records check and, as part of that records check, request that criminal record information from the federal bureau of investigation be obtained. To fulfill this requirement, the superintendent shall do either of the following:

(i) Request the superintendent of the bureau of criminal identification and investigation, or a vendor approved by the bureau, to conduct a criminal records check based on the applicant's fingerprints or, if the fingerprints are unreadable, based on the applicant's social security number, in accordance with division (A)(12) of section 109.572 of the Revised Code;

(ii) Authorize the nationwide mortgage licensing system and registry to request a criminal history background check as set

forth in division (C) of section 1321.531 of the Revised Code. 535

(b) Any fee required under division (C) (3) of section 109.572 536
of the Revised Code or by the nationwide mortgage licensing system 537
and registry shall be paid by the applicant. 538

(6) If an application for a certificate of registration does 539
not contain all of the information required under division (A) ~~(1)~~ 540
of this section, and if such information is not submitted to the 541
division within ninety days after the application is filed 542
superintendent requests the information in writing, the 543
superintendent may consider the application withdrawn and may 544
retain the investigation fee. 545

~~(4)~~(7) If the division finds that the financial 546
responsibility, experience, character, and general fitness of the 547
applicant are such as to command the confidence of the public and 548
to warrant the belief that the business will be operated honestly 549
and fairly in compliance with and within the purposes of sections 550
1321.51 to 1321.60 of the Revised Code and the rules adopted 551
thereunder, and that the applicant has the requisite bond or 552
applicable net worth and assets required by division (B) of this 553
section, the division shall thereupon issue a certificate of 554
registration to the applicant. The certificate superintendent 555
shall not use a credit score as the sole basis for a registration 556
denial. 557

(a) Certificates of registration issued on or after July 1, 558
2009, shall annually expire on the first thirty-first day of July 559
next after its issue, and on the first day of July in each 560
succeeding year December, unless renewed by the filing of a 561
renewal application and payment of an annual fee, and any 562
assessment, as determined by the superintendent pursuant to 563
section 1321.20 of the Revised Code, and any additional fee 564
required by the nationwide mortgage licensing system and registry, 565

on or before the last day of ~~June~~ December of each year. No other 566
 fee or assessment shall be required of a registrant by the state 567
 or any political subdivision of ~~the~~ this state. 568

(b) Registrants shall timely file renewal applications on 569
forms prescribed by the division of financial institutions and 570
provide any further information that the division may require. 571

(c) As a condition of renewal, registrants shall provide 572
proof that the designated operations manager successfully 573
completed the testing required under section 1321.535 of the 574
Revised Code and the continuing education requirements set forth 575
in section 1321.536 of the Revised Code. 576

(d) Renewal shall not be granted if the applicant's 577
certificate of registration is subject to an order of suspension, 578
revocation, or an unpaid and past due fine imposed by the 579
superintendent. 580

(e) If the division ~~does not so find~~ finds the applicant does 581
not meet the conditions set forth in this section, it shall enter 582
an ~~order denying~~ issue a notice of intent to deny the application, 583
and forthwith notify the applicant of the denial, the grounds for 584
the denial, and the applicant's reasonable opportunity to be heard 585
on the action in accordance with Chapter 119. of the Revised Code. 586
In the event of denial, the division shall return the registration 587
fee but retain the investigation fee. 588

(5)(8) If there is a change of ~~ten~~ five per cent or more in 589
the ownership of a registrant, the division may make any 590
investigation necessary to determine whether any fact or condition 591
exists that, if it had existed at the time of the original 592
application for a certificate of registration, the fact or 593
condition would have warranted the division to deny the 594
application under division (A) ~~(4)~~ (7) of this section. If such a 595
fact or condition is found, the division may, in accordance with 596

Chapter 119. of the Revised Code, revoke the registrant's 597
certificate. 598

(B) Each registrant that engages in lending under sections 599
1321.51 to 1321.60 of the Revised Code shall, if not bonded 600
pursuant to section 1321.533 of the Revised Code, maintain both of 601
the following: 602

(1) A net worth of at least fifty thousand dollars; 603

(2) For each certificate of registration, assets of at least 604
fifty thousand dollars either in use or readily available for use 605
in the conduct of the business. 606

(C) Not more than one place of business shall be maintained 607
under the same certificate, but the division may issue additional 608
certificates to the same registrant upon compliance with sections 609
1321.51 to 1321.60 of the Revised Code, governing the issuance of 610
a single certificate. No change in the place of business of a 611
registrant to a location outside the original municipal 612
corporation shall be permitted under the same certificate without 613
the approval of a new application, the payment of the registration 614
fee ~~as determined by the superintendent pursuant to section~~ 615
~~1321.20 of the Revised Code~~ and, if required by the 616
superintendent, the payment of an investigation fee of two hundred 617
dollars. When a registrant wishes to change its place of business 618
within the same municipal corporation, it shall give written 619
notice of the change in advance to the division, which shall 620
provide a certificate for the new address without cost. If a 621
registrant changes its name, prior to making loans under the new 622
name it shall give written notice of the change to the division, 623
which shall provide a certificate in the new name without cost. 624
Sections 1321.51 to 1321.60 of the Revised Code do not limit the 625
loans of any registrant to residents of the community in which the 626
registrant's place of business is situated. Each certificate shall 627

be kept conspicuously posted in the place of business of the 628
 registrant and is not transferable or assignable. 629

(D) Sections 1321.51 to 1321.60 of the Revised Code do not 630
 apply to any of the following: 631

(1) ~~Persons~~ Entities chartered and lawfully doing business 632
 under the authority of any law of this state, another state, or 633
 the United States ~~relating to banks as a bank, savings banks bank,~~ 634
 trust ~~companies~~ company, savings and loan ~~associations~~ 635
association, or credit unions union, or a subsidiary of any such 636
entity, which subsidiary is regulated by a federal banking agency 637
and is owned and controlled by such a depository institution; 638

(2) Life, property, or casualty insurance companies licensed 639
 to do business in this state; 640

(3) Any person that is a lender making a loan pursuant to 641
 sections 1321.01 to 1321.19 of the Revised Code or a business loan 642
 as described in division (B) (6) of section 1343.01 of the Revised 643
 Code; 644

(4) Any political subdivision, or any governmental agency or 645
other public entity, corporation, instrumentality, or any entity 646
~~included under division (B) (3) of section 1343.01 of the Revised~~ 647
~~Code~~ agency, in or of the United States or any state of the United 648
States; 649

(5) A college or university, or controlled entity of a 650
college or university, as those terms are defined in section 651
1713.05 of the Revised Code. 652

(E) No person engaged in the business of selling tangible 653
 goods or services related to tangible goods may receive or retain 654
 a certificate under sections 1321.51 to 1321.60 of the Revised 655
 Code for such place of business. 656

Sec. 1321.531. (A) An application for a mortgage loan 657
originator license shall be in writing, under oath, and in the 658
form prescribed by the superintendent of financial institutions. 659
The application shall be accompanied by a nonrefundable 660
application fee of one hundred fifty dollars and all other 661
required fees, including any fees required by the nationwide 662
mortgage licensing system and registry. 663

(B) The superintendent may establish relationships or enter 664
into contracts with the nationwide mortgage licensing system and 665
registry, or any entities designated by it, to collect and 666
maintain records and process transaction fees or other fees 667
related to mortgage loan originator licensees or other persons 668
subject to or involved in their licensure. 669

(C) In connection with applying for a mortgage loan 670
originator license, the applicant shall furnish to the nationwide 671
mortgage licensing system and registry the following information 672
concerning the applicant's identity: 673

(1) The applicant's fingerprints for submission to the 674
federal bureau of investigation, and any other governmental agency 675
or entity authorized to receive such information, for purposes of 676
a state, national, and international criminal history background 677
check; 678

(2) Personal history and experience in a form prescribed by 679
the nationwide mortgage licensing system and registry, along with 680
authorization for the superintendent and the nationwide mortgage 681
licensing system and registry to obtain the following: 682

(a) An independent credit report from a consumer reporting 683
agency; 684

(b) Information related to any administrative, civil, or 685
criminal findings by any governmental jurisdiction. 686

(D) In order to effectuate the purposes of divisions (C)(1) and (C)(2)(b) of this section, the superintendent may use the conference of state bank supervisors, or a wholly owned subsidiary, as a channeling agent for requesting information from and distributing information to the United States department of justice or any other governmental agency. The superintendent may also use the nationwide mortgage licensing system and registry as a channeling agent for requesting information from and distributing information to any source related to matters subject to divisions (C)(2)(a) and (b) of this section.

(E) Upon the filing of the application, payment of the application fee, and payment of any additional fee, including any fee required by the nationwide mortgage licensing system and registry, the superintendent shall investigate the applicant as set forth in division (E) of this section.

(1)(a) Notwithstanding division (K) of section 121.08 of the Revised Code, the superintendent shall obtain a criminal history records check and, as part of that records check, request that criminal record information from the federal bureau of investigation be obtained. To fulfill this requirement, the superintendent shall do either of the following:

(i) Request the superintendent of the bureau of criminal identification and investigation, or a vendor approved by the bureau, to conduct a criminal records check based on the applicant's fingerprints or, if the fingerprints are unreadable, based on the applicant's social security number in accordance with division (A)(12) of section 109.572 of the Revised Code;

(ii) Authorize the nationwide mortgage licensing system and registry to request a criminal history background check as set forth in division (C) of this section.

(b) Any fee required under division (C)(3) of section 109.572

of the Revised Code or by the nationwide mortgage licensing system 718
and registry shall be paid by the applicant. 719

(2) The superintendent of financial institutions shall 720
conduct a civil records check. 721

(3) If, in order to issue a license to an applicant, 722
additional investigation by the superintendent outside this state 723
is necessary, the superintendent may require the applicant to 724
advance sufficient funds to pay the actual expenses of the 725
investigation, if it appears that these expenses will exceed one 726
hundred dollars. The superintendent shall provide the applicant 727
with an itemized statement of the actual expenses that the 728
applicant is required to pay. 729

(F) If an application for a mortgage loan originator license 730
does not contain all of the information required under this 731
section, and if that information is not submitted to the 732
superintendent within ninety days after the superintendent 733
requests the information in writing, the superintendent may 734
consider the application withdrawn. 735

Sec. 1321.532. (A) Upon the conclusion of the investigation 736
required under division (E) of section 1321.531 of the Revised 737
Code, the superintendent of financial institutions shall issue a 738
mortgage loan originator license to the applicant if the 739
superintendent finds that all of the following conditions are met: 740

(1) The application is accompanied by the application fee and 741
any additional fee required by the nationwide mortgage licensing 742
system and registry. 743

(a) If a check or other draft instrument is returned to the 744
superintendent for insufficient funds, the superintendent shall 745
notify the applicant by certified mail, return receipt requested, 746
that the application will be withdrawn unless the applicant. 747

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 immediately without a hearing.

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(b) If a check or other draft instrument is returned to the superintendent for insufficient funds after the license has been issued, the superintendent shall notify the licensee by certified mail, return receipt requested, that the license issued in reliance on the check or other draft instrument will be canceled unless the licensee, within thirty days after receipt of the notice, submits the application fee and a one-hundred-dollar penalty to the superintendent. If the licensee 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 license shall be canceled immediately without a hearing, and the licensee shall cease activity as a mortgage loan originator.

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(2) The applicant complies with sections 1321.51 to 1321.60 of the Revised Code.

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(3) The applicant has not had a mortgage loan originator license, or comparable authority, revoked in any governmental jurisdiction.

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(4) The applicant has not been convicted of, or pleaded guilty to, any of the following:

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(a) During the seven-year period immediately preceding the date of application for licensure, a felony in a domestic, foreign, or military court.

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(b) At any time prior to the date of application for licensure, a felony involving an act of fraud, dishonesty, or a breach of trust, theft, or money laundering in a domestic, foreign, or military court; 778
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(c) During the seven-year period immediately preceding the date of application for licensure, a misdemeanor involving theft in a domestic, foreign, or military court. 782
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(5) Based on the totality of the circumstances and information submitted in the application, the applicant has proven to the division of financial institutions, by a preponderance of the evidence, that the applicant is of good business repute, appears qualified to act as a mortgage loan originator, and has fully complied with sections 1321.51 to 1321.60 of the Revised Code and rules adopted thereunder. 785
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(6) The applicant successfully completed the written test required under section 1321.535 of the Revised Code and the education requirements set forth in section 1321.534 of the Revised Code. 792
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(7) The applicant is covered under a valid bond in compliance with section 1321.533 of the Revised Code. 796
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(8) The applicant's financial responsibility, character, and general fitness command the confidence of the public and warrant the belief that the loan originator will operate honestly and fairly in compliance with the purposes of sections 1321.51 to 1321.60 of the Revised Code. The superintendent shall not use a credit score as the sole basis for a license denial. 798
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(B) The license issued under 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: 804
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- (1) The renewal application is accompanied by a nonrefundable renewal fee of one hundred fifty dollars, and any additional 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 licensee by certified mail, return receipt requested, that the license renewed in reliance on the check or other draft instrument will be canceled unless the licensee, within thirty days after receipt of the notice, submits the renewal fee and a one-hundred-dollar penalty to the superintendent. If the licensee 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 license shall be canceled immediately without a hearing, and the licensee shall cease activity as a mortgage loan originator. 808
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- (2) The applicant has completed at least eight hours of continuing education as required under section 1321.536 of the Revised Code. 824
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- (3) The applicant meets the conditions set forth in divisions (A) (2) to (8) of this section. 827
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- (4) The applicant's license is not subject to an order of suspension or an unpaid and past due fine imposed by the superintendent. 829
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- (C) (1) Subject to division (C) (2) of this section, if a license renewal application or fee, including any additional fee required by nationwide mortgage licensing system and registry, is received by the superintendent after the thirty-first day of December, the license shall not be considered renewed, and the applicant shall cease activity as a mortgage loan originator. 832
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- (2) Division (C) (1) of this section shall not apply if the 838

applicant, no later than the thirty-first day of January, submits 839
the renewal application and fee, including any additional fee 840
required by nationwide mortgage licensing system and registry, and 841
a one-hundred-dollar penalty to the superintendent. 842

(D) Mortgage loan originator licenses issued on or after July 843
1, 2009, shall annually expire on the thirty-first day of 844
December. 845

Sec. 1321.533. (A) (1) A registrant engaged in residential 846
mortgage loan activity shall not conduct business in this state, 847
unless the registrant has obtained and maintains in effect at all 848
times a corporate surety bond issued by a bonding company or 849
insurance company authorized to do business in this state. 850

(a) The bond shall be in favor of the superintendent of 851
financial institutions. 852

(b) The bond shall be in the penal sum of the greater of: 853

(i) Fifty thousand dollars and an additional penal sum of ten 854
thousand dollars for each location, in excess of one, at which the 855
registrant conducts business; or 856

(ii) One half per cent of the aggregate loan amount of 857
residential mortgage loans originated in the immediately preceding 858
calendar year, but not exceeding two hundred fifty thousand 859
dollars. 860

(c) The term of the bond shall coincide with the term of 861
registration. 862

(d) A copy of the bond shall be filed with the 863
superintendent. 864

(e) The bond shall be for the exclusive benefit of any 865
borrower injured by a violation by an employee, licensee, or 866
registrant of any provision of sections 1321.51 to 1321.60 of the 867

Revised Code or the rules adopted thereunder. 868

(f) The aggregate liability of the corporate surety for any and all breaches of the conditions of the bond shall not exceed the penal sum of the bond. 869
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(2) An individual licensed as a mortgage loan originator and employed or associated with an exempt entity as set forth in division (P) (2) of section 1321.51 of the Revised Code shall not conduct business in this state, unless the licensee has obtained and maintains in effect at all times a corporate surety bond issued by a bonding company or insurance company authorized to do business in this state. 872
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(a) The bond shall be in favor of the superintendent. 879

(b) The bond shall be in the penal sum of the greater of: 880

(i) Fifty thousand dollars; or 881

(ii) One half per cent of the aggregate loan amount of residential mortgage loans originated in the immediately preceding calendar year, but not exceeding two hundred fifty thousand dollars. 882
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(c) The term of the bond shall coincide with the term of licensure. 886
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(d) A copy of the bond shall be filed with the superintendent. 888
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(e) The bond shall be for the exclusive benefit of any borrower injured by a violation by the licensee of any provision of sections 1321.51 to 1321.60 of the Revised Code or the rules adopted thereunder. 890
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(f) The aggregate liability of the corporate surety for any and all breaches of the conditions of the bond shall not exceed the penal sum of the bond. 894
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(B) (1) The registrant or licensee shall give notice to the 897
superintendent by certified mail of any action that is brought by 898
a borrower against the licensee, registrant, or any mortgage loan 899
originator of the registrant alleging injury by a violation of any 900
provision of sections 1321.51 to 1321.60 of the Revised Code, and 901
of any judgment that is entered against the licensee, registrant, 902
or mortgage loan originator of the registrant by a borrower 903
injured by a violation of any provision of sections 1321.51 to 904
1321.60 of the Revised Code. The notice shall provide details 905
sufficient to identify the action or judgment, and shall be filed 906
with the superintendent within ten days after the commencement of 907
the action or notice to the registrant or licensee of entry of a 908
judgment. An exempt entity securing bonding for the licensees in 909
their employ shall report those actions by a borrower in the same 910
manner as is required of registrants. 911

(2) A corporate surety, within ten days after it pays any 912
claim or judgment, shall give notice to the superintendent by 913
certified mail of the payment, with details sufficient to identify 914
the person and the claim or judgment paid. 915

(C) Whenever the penal sum of the corporate surety bond is 916
reduced by one or more recoveries or payments, the registrant or 917
licensee shall furnish a new or additional bond under this 918
section, so that the total or aggregate penal sum of the bond or 919
bonds equals the sum required by this section, or shall furnish an 920
endorsement executed by the corporate surety reinstating the bond 921
to the required penal sum of it. 922

(D) The liability of the corporate surety on the bond to the 923
superintendent and to any borrower injured by a violation of any 924
provision of sections 1321.51 to 1321.60 of the Revised Code shall 925
not be affected in any way by any misrepresentation, breach of 926
warranty, or failure to pay the premium, by any act or omission 927

upon the part of the registrant or licensee, by the insolvency or 928
bankruptcy of the registrant or licensee, or by the insolvency of 929
the registrant's or licensee's estate. The liability for any act 930
or omission that occurs during the term of the corporate surety 931
bond shall be maintained and in effect for at least two years 932
after the date on which the corporate surety bond is terminated or 933
canceled. 934

(E) The corporate surety bond shall not be canceled by the 935
registrant, the licensee, or the corporate surety except upon 936
notice to the superintendent by certified mail, return receipt 937
requested. The cancellation shall not be effective prior to thirty 938
days after the superintendent receives the notice. 939

(F) No registrant or licensee shall fail to comply with this 940
section. Any registrant or licensee that fails to comply with this 941
section shall cease all mortgage lender or mortgage loan 942
originator activity in this state until the registrant or licensee 943
has complied with this section. 944

Sec. 1321.534. (A) Mortgage loan originator applicants shall 945
submit evidence acceptable to the superintendent of financial 946
institutions that, except as set forth in division (D) of this 947
section, the applicant has successfully completed at least 948
twenty-four hours of pre-licensing instruction consisting of the 949
following: 950

(1) Twenty hours of instruction in a course or program of 951
study reviewed and approved by the nationwide mortgage licensing 952
system and registry. 953

(2) Four hours of instruction in a course or program of study 954
reviewed and approved by the superintendent concerning state 955
lending law and the Ohio consumer sales practices act, Chapter 956
1345. of the Revised Code, as it applies to registrants and 957

- licensees. 958
- (B) A person having successfully completed the pre-licensing education requirements reviewed and approved by the nationwide mortgage licensing system and registry for any state within the previous five years shall be granted credit toward completion of the pre-licensing education requirements of this state. 959
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- (C) Review and approval of a pre-licensing education course shall include review and approval of the course provider. 964
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- (D) Notwithstanding division (A) of this section, if the nationwide mortgage licensing system and registry fails to have in place an approval program to ensure that all pre-licensing education courses meet the criteria set forth in division (A) of this section, then the superintendent shall require, until that program is in place, evidence that the applicant has successfully completed twenty-four hours of live classroom instruction in a course or program of study approved by the superintendent that consists of at least all of the following: 966
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- (1) Four hours of instruction concerning state and federal mortgage lending laws, which shall include no less than two hours on this chapter; 975
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- (2) Four hours of instruction concerning the Ohio consumer sales practices act, Chapter 1345. of the Revised Code, as it applies to registrants and licensees; 978
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- (3) Four hours of instruction concerning the loan application process; 981
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- (4) Two hours of instruction concerning the underwriting process; 983
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- (5) Two hours of instruction concerning the secondary market for mortgage loans; 985
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<u>(6) Four hours of instruction concerning the loan closing</u>	987
<u>process;</u>	988
<u>(7) Two hours of instruction covering basic mortgage</u>	989
<u>financing concepts and terms;</u>	990
<u>(8) Two hours of instruction concerning the ethical</u>	991
<u>responsibilities of a licensee, including with respect to</u>	992
<u>confidentiality, consumer counseling, and the duties and standards</u>	993
<u>of care created in section 1321.593 of the Revised Code.</u>	994
<u>Sec. 1321.535. (A) Each person designated to act as</u>	995
<u>operations manager for a registrant shall submit to a written test</u>	996
<u>approved by the superintendent of financial institutions. An</u>	997
<u>individual shall not be considered to have passed the written test</u>	998
<u>unless the individual achieves a test score of not less than</u>	999
<u>seventy-five per cent correct answers to all questions.</u>	1000
<u>(B) Each applicant for a mortgage loan originator license</u>	1001
<u>shall submit to a written test that is developed and approved by</u>	1002
<u>the nationwide mortgage licensing system and registry and</u>	1003
<u>administered by a test provider approved by the nationwide</u>	1004
<u>mortgage licensing system and registry based upon reasonable</u>	1005
<u>standards.</u>	1006
<u>(1) The test shall adequately measure the applicant's</u>	1007
<u>knowledge and comprehension in appropriate subject matters,</u>	1008
<u>including ethics and federal and state law related to mortgage</u>	1009
<u>origination, fraud, consumer protection, the nontraditional</u>	1010
<u>mortgage marketplace, and fair lending issues.</u>	1011
<u>(2) An individual shall not be considered to have passed the</u>	1012
<u>test unless the individual achieves a test score of at least</u>	1013
<u>seventy-five per cent correct answers on all questions and at</u>	1014
<u>least seventy-five per cent correct answers on all questions</u>	1015
<u>relating to Ohio lending laws and the Ohio consumer sales</u>	1016

practices act. 1017

(3) An individual may retake the test three consecutive times provided the period between taking the tests is at least thirty days. 1018
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(4) After failing three consecutive tests, an individual shall be required to wait at least six months before taking the test again. 1021
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(5) If a mortgage loan originator fails to maintain a valid license for a period of five years or longer, the individual shall be required to retake the test. 1024
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(C) Notwithstanding division (B) of this section, until the nationwide mortgage licensing system and registry implements a testing process that meets the criteria set forth in that division, the superintendent shall require evidence that the mortgage loan originator applicant or person designated under division (A) (3) of section 1321.53 of the Revised Code passed a written test acceptable to the superintendent. 1027
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Sec. 1321.536. (A) Each mortgage loan originator licensee and each person designated under division (A) (3) of section 1321.53 of the Revised Code to act as operations manager for a registrant shall complete at least eight hours of continuing education every calendar year. To fulfill this requirement, the eight hours of continuing education must be offered in a course or program of study reviewed and approved by the nationwide mortgage licensing system and registry. The course or program of study shall include all of the following: 1034
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(1) Three hours of applicable federal law and regulations; 1043

(2) Two hours of ethics, which shall include instruction on fraud, consumer protection, and fair lending issues; 1044
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<u>(3) Two hours of training related to lending standards for the nontraditional mortgage product marketplace.</u>	1046
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<u>(B) Continuing education courses shall be reviewed and approved by the nationwide mortgage licensing system and registry based upon reasonable standards.</u>	1048
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<u>(C) The following conditions apply to the continuing education required by this section:</u>	1051
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<u>(1) An individual cannot take the same approved course in the same or successive years to meet the annual requirement for continuing education.</u>	1053
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<u>(2) An individual can only receive credit for a continuing education course in the year in which the course is taken, unless the individual is making up a deficiency in continuing education pursuant to a rule or order of the superintendent of financial institutions.</u>	1056
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<u>(3) An individual who subsequently becomes unlicensed must complete the continuing education requirement for the last year in which the license was held prior to the issuance of a new or renewed license.</u>	1061
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<u>(4) A licensed mortgage loan originator who is approved as an instructor of an approved continuing education course may receive credit for the licensee's own annual continuing education requirement at the rate of two credit hours for every one hour taught.</u>	1065
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<u>(5) A person having successfully completed a continuing education course approved by the nationwide mortgage licensing system and registry for any state shall receive credit toward completion of the continuing education requirement of this state.</u>	1070
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<u>(D) Notwithstanding division (B) of this section, until the nationwide mortgage licensing system and registry implements a</u>	1074
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review and approval process, the superintendent shall require 1076
evidence that the licensee or person designated under division 1077
(A) (3) of section 1321.53 of the Revised Code has successfully 1078
completed at least eight hours of continuing education in a course 1079
or program of study approved by the superintendent. 1080

Sec. 1321.54. (A) The division of financial institutions may 1081
 adopt, in accordance with Chapter 119. of the Revised Code, 1082
~~reasonable rules that are necessary for the enforcement of to~~ 1083
~~administer and enforce~~ sections 1321.51 to 1321.60 of the Revised 1084
 Code and ~~that are consistent with those sections. Each rule shall~~ 1085
~~contain a reference to the section, division, or paragraph of the~~ 1086
~~Revised Code to which it applies. The division shall send by~~ 1087
~~regular mail to each registrant a copy of each rule that is~~ 1088
~~adopted pursuant to this section~~ to carry out the purposes of 1089
those sections. 1090

(B) (1) The division shall may, upon written notice to the 1091
 registrant or licensee stating the contemplated action, the 1092
 grounds for the action, and the registrant's or licensee's 1093
 reasonable opportunity to be heard on the action in accordance 1094
 with Chapter 119. of the Revised Code, revoke, suspend, or refuse 1095
 to renew any certificate or license issued under sections 1321.51 1096
 to 1321.60 of the Revised Code, ~~or impose a monetary fine,~~ if it 1097
 finds ~~that the registrant has continued to violate those sections,~~ 1098
~~after receiving notice of the violation or violations from the~~ 1099
~~division, or is in default in the payment of the annual assessment~~ 1100
~~or certificate of registration fee prescribed in section 1321.20~~ 1101
~~of the Revised Code. The~~ any of the following: 1102

(a) A violation of or failure to comply with any provision of 1103
sections 1321.51 to 1321.60 of the Revised Code or the rules 1104
adopted thereunder, any federal lending law, or any other law 1105
applicable to the business conducted under a certificate of 1106

registration or license; 1107

(b) The person has been convicted of or pleaded guilty to any 1108
criminal felony offense in a domestic, foreign, or military court; 1109

(c) The person has been convicted of or pleaded guilty to any 1110
criminal offense involving theft, receiving stolen property, 1111
embezzlement, forgery, fraud, passing bad checks, money 1112
laundering, breach of trust, dishonesty, or drug trafficking, or 1113
any criminal offense involving money or securities, in a domestic, 1114
foreign, or military court; 1115

(d) The person's mortgage lender certificate of registration 1116
or mortgage loan originator license, or comparable authority, has 1117
been revoked in any governmental jurisdiction. 1118

(2) In addition to, or in lieu of, any revocation, 1119
suspension, or denial, the division may impose a monetary fine 1120
after administrative hearing or in settlement of matters subject 1121
to claims under division (B)(1)(a) of this section. 1122

(3) Subject to division (D)(3) of section 1321.52 of the 1123
Revised Code, the revocation, suspension, or refusal to renew 1124
shall not impair the obligation of any pre-existing lawful 1125
contract made under sections 1321.51 to 1321.60 of the Revised 1126
Code; provided, however, that a prior registrant shall make good 1127
faith efforts to promptly transfer the registrant's collection 1128
rights to another registrant or person exempt from registration, 1129
or be subject to additional monetary fines and legal or 1130
administrative action by the division. Nothing in division (B)(3) 1131
of this section shall limit a court's ability to impose a cease 1132
and desist order preventing any further business or servicing 1133
activity. 1134

(C)(1) The superintendent of financial institutions may 1135
impose a fine of not more than one thousand dollars for each day a 1136

violation of sections 1321.51 to 1321.60 of the Revised Code, or 1137
any rule adopted thereunder, is committed, repeated, or continued. 1138
If the registrant or licensee engages in a pattern of repeated 1139
violations, the superintendent may impose a fine of not more than 1140
two thousand dollars for each day the violation is committed, 1141
repeated, or continued. All fines collected pursuant to this 1142
section shall be paid to the treasurer of state to the credit of 1143
the consumer finance fund created in section 1321.21 of the 1144
Revised Code. In determining the amount of a fine to be imposed 1145
pursuant to this section, the superintendent may consider all of 1146
the following to the extent it is known to the division of 1147
financial institutions: 1148

(a) The seriousness of the violation; 1149

(b) The registrant's or licensee's good faith efforts to 1150
prevent the violation; 1151

(c) The registrant's or licensee's history regarding 1152
violations and compliance with division orders; 1153

(d) The registrant's or licensee's financial resources; 1154

(e) Any other matters the superintendent considers 1155
appropriate in enforcing sections 1321.51 to 1321.60 of the 1156
Revised Code. 1157

(2) Monetary fines imposed under this division shall not 1158
exceed twenty five thousand dollars preclude any criminal fine 1159
imposed pursuant to section 1321.99 of the Revised Code. 1160

~~(C)-(D)~~ The superintendent of financial institutions may 1161
investigate alleged violations of sections 1321.51 to 1321.60 of 1162
the Revised Code, or the rules adopted thereunder, or complaints 1163
concerning any such violation. The superintendent may make 1164
application to the court of common pleas for an order enjoining 1165
any such violation and, upon a showing by the superintendent that 1166

a person has committed, or is about to commit, ~~such~~ a violation, 1167
the court shall grant an injunction, restraining order, or other 1168
appropriate relief. The superintendent, in making application to 1169
the court of common pleas for an order enjoining a person from 1170
acting as a registrant or mortgage loan originator in violation of 1171
division (A) or (E) of section 1321.52 of the Revised Code, may 1172
also seek and obtain civil penalties for that unregistered or 1173
unlicensed conduct in an amount not to exceed five thousand 1174
dollars per violation. 1175

~~(D)~~(E) In conducting an investigation pursuant to this 1176
section, the superintendent may compel, by subpoena, witnesses to 1177
testify in relation to any matter over which the superintendent 1178
has jurisdiction, and may require the production or photocopying 1179
of any book, record, or other document pertaining to such matter. 1180
If a person fails to file any statement or report, obey any 1181
subpoena, give testimony, produce any book, record, or other 1182
document as required by such a subpoena, or permit photocopying of 1183
any book, record, or other document subpoenaed, the court of 1184
common pleas of any county in this state, upon application made to 1185
it by the superintendent, shall compel obedience by attachment 1186
proceedings for contempt, as in the case of disobedience of the 1187
requirements of a subpoena issued from the court, or a refusal to 1188
testify therein. 1189

~~(E)~~(F) If the superintendent determines that a person is 1190
engaged in, or is believed to be engaged in, activities that may 1191
constitute a violation of sections 1321.51 to 1321.60 of the 1192
Revised Code or the rules adopted thereunder, the superintendent 1193
may, after notice and a hearing conducted in accordance with 1194
Chapter 119. of the Revised Code, issue a cease and desist order. 1195
The superintendent, in taking administrative action to enjoin a 1196
person from acting as a registrant or mortgage loan originator in 1197
violation of division (A) or (E) of section 1321.52 of the Revised 1198

Code, may also seek and impose fines for those violations in an 1199
amount not to exceed five thousand dollars per violation. Such an 1200
order shall be enforceable in the court of common pleas. 1201

(G) The superintendent shall regularly report violations of 1202
sections 1321.51 to 1321.60 of the Revised Code, as well as 1203
enforcement actions and other relevant information, to the 1204
nationwide mortgage licensing system and registry pursuant to 1205
division (E) of section 1321.55 of the Revised Code. 1206

(H) (1) To protect the public interest, the superintendent 1207
may, without a prior hearing, do any of the following: 1208

(a) Suspend the certificate of registration or license of a 1209
person who is convicted of or pleads guilty to a violation of 1210
sections 1321.51 to 1321.60 of the Revised Code or any criminal 1211
offense described in division (B) (1) of this section; 1212

(b) Suspend the certificate of registration of a registrant 1213
who violates division (F) of section 1321.533 of the Revised Code; 1214

(c) Suspend the certificate of registration or license of a 1215
person who fails to comply with a request made by the 1216
superintendent under this section or section 1321.55 of the 1217
Revised Code to inspect qualifying education transcripts located 1218
at the registrant's or licensee's place of business. 1219

(2) The superintendent may, in accordance with Chapter 119. 1220
of the Revised Code, subsequently revoke any registration or 1221
license suspended under division (H) (1) of this section. 1222

(3) The superintendent shall, in accordance with Chapter 119. 1223
of the Revised Code, adopt rules establishing the maximum amount 1224
of time a suspension under division (H) (1) of this section may 1225
continue before a hearing is conducted. 1226

Sec. 1321.55. (A) Every registrant shall keep records 1227

pertaining to loans made under sections 1321.51 to 1321.60 of the Revised Code. Such records shall be segregated from records pertaining to transactions that are not subject to these sections of the Revised Code. Every registrant shall preserve records pertaining to loans made under sections 1321.51 to 1321.60 of the Revised Code for at least ~~two~~ four years after making the final entry on such records. Accounting systems maintained in whole or in part by mechanical or electronic data processing methods that provide information equivalent to that otherwise required are acceptable for this purpose. At least once each eighteen-month cycle, the division of financial institutions shall make or cause to be made an examination of records pertaining to loans made under sections 1321.51 to 1321.60 of the Revised Code, for the purpose of determining whether the registrant is complying with these sections and of verifying the registrant's annual report.

(B) (1) As required by the superintendent of financial institutions, each registrant shall file with the division each year a report under oath or affirmation, on forms supplied by the division, concerning the business and operations for the preceding calendar year. Whenever a registrant operates two or more registered offices or whenever two or more affiliated registrants operate registered offices, then a composite report of the group of registered offices may be filed in lieu of individual reports.

(2) The division shall publish annually an analysis of the information required under division (B) (1) of this section, but the individual reports shall not be public records and shall not be open to public inspection or otherwise subject to the provisions of section 149.43 of the Revised Code.

(3) Each mortgage licensee shall submit to the nationwide mortgage licensing system and registry call reports or other reports of condition, which shall be in such form and shall

contain such information as the nationwide mortgage licensing system and registry may require. 1259
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~~(C) All information obtained by the superintendent or the superintendent's deputies, examiners, assistants, agents, or clerks by reason of their official position, including information obtained by such persons from the annual report of a registrant or in the course of examining a registrant or investigating an applicant for a certificate, is privileged and confidential. All such information shall remain privileged and confidential for all purposes except when it is necessary for the superintendent and the superintendent's deputies, examiners, assistants, agents, or clerks to take official action regarding the affairs of the registrant or in connection with criminal proceedings. Such information may also be introduced into evidence or disclosed when and in the manner authorized in section 1181.25 of the Revised Code.~~ 1261
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~~(D) No person is in violation of sections 1321.51 to 1321.60 of the Revised Code for any act taken or omission made in reliance on a written notice, interpretation, or examination report from the superintendent.~~ 1275
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~~(E) This section does not prevent the division from releasing to or exchanging with other financial institution regulatory authorities information relating to registrants.~~ 1279
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~~(F) For purposes of this section, "financial institution regulatory authority" includes a regulator of a business activity in which a registrant is engaged, or has applied to engage in, to the extent that the regulator has jurisdiction over a registrant engaged in that business activity. A registrant is engaged in a business activity, and a regulator of that business activity has jurisdiction over the registrant, whether the registrant conducts the activity directly or a subsidiary or affiliate of the~~ 1282
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~~registrant conducts the activity~~ (1) The following information is 1290
confidential: 1291

(a) Examination information, and any information leading to 1292
or arising from an examination; 1293

(b) Investigation information, and any information arising 1294
from or leading to an investigation. 1295

(2) The information described in division (C)(1) of this 1296
section shall remain confidential for all purposes except when it 1297
is necessary for the superintendent to take official action 1298
regarding the affairs of a registrant or licensee, or in 1299
connection with criminal or civil proceedings to be initiated by a 1300
prosecuting attorney or the attorney general. This information may 1301
also be introduced into evidence or disclosed when and in the 1302
manner authorized by section 1181.25 of the Revised Code. 1303

(D) All application information, except social security 1304
numbers, employer identification numbers, financial account 1305
numbers, the identity of the institution where financial accounts 1306
are maintained, personal financial information, fingerprint cards 1307
and the information contained on such cards, and criminal 1308
background information, is a public record as defined in section 1309
149.43 of the Revised Code. 1310

(E) This section does not prevent the division of financial 1311
institutions from releasing to or exchanging with other financial 1312
institution regulatory authorities information relating to 1313
registrants and licensees. For this purpose, a "financial 1314
institution regulatory authority" includes a regulator of a 1315
business activity in which a registrant or licensee is engaged, or 1316
has applied to engage in, to the extent that the regulator has 1317
jurisdiction over a registrant or licensee engaged in that 1318
business activity. A registrant or licensee is engaged in a 1319
business activity, and a regulator of that business activity has 1320

jurisdiction over the registrant or licensee, whether the 1321
registrant or licensee conducts the activity directly or a 1322
subsidiary or affiliate of the registrant or licensee conducts the 1323
activity. 1324

(1) Any confidentiality or privilege arising under federal or 1325
state law with respect to any information or material provided to 1326
the nationwide mortgage licensing system and registry shall 1327
continue to apply to the information or material after the 1328
information or material has been provided to the nationwide 1329
mortgage licensing system and registry. The information and 1330
material so provided may be shared with all state and federal 1331
regulatory officials with mortgage industry oversight authority 1332
without the loss of confidentiality or privilege protections 1333
provided by federal law or the law of any state. Information or 1334
material described in division (E) (1) of this section to which 1335
confidentiality or privilege applies shall not be subject to any 1336
of the following: 1337

(a) Disclosure under any federal or state law governing 1338
disclosure to the public of information held by an officer or an 1339
agency of the federal government or of the respective state; 1340

(b) Subpoena or discovery, or admission into evidence, in any 1341
private civil action or administrative process, unless the person 1342
to whom such information or material pertains waives, in whole or 1343
in part and at the discretion of the person, any privilege held by 1344
the nationwide mortgage licensing system and registry with respect 1345
to that information or material. 1346

(2) The superintendent, in order to promote more effective 1347
regulation and reduce regulatory burden through supervisory 1348
information sharing, may enter into sharing arrangements with 1349
other governmental agencies, the conference of state bank 1350
supervisors, and the American association of residential mortgage 1351

regulators.

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(3) Any state law, including the public records law, relating to the disclosure of confidential supervisory information or any information or material described in division (E) (1) of this section that is inconsistent with that division shall be superseded by the requirements of that division.

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(F) This section shall not apply with respect to information or material relating to the employment history of, and publicly adjudicated disciplinary and enforcement actions against, mortgage loan originators that is included in the nationwide mortgage licensing system and registry for access by the public.

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(G) This section does not prevent the division from releasing information relating to registrants and licensees to the attorney general, to the superintendent of real estate and professional licensing for purposes relating to the administration of Chapters 4735. and 4763. of the Revised Code, to the superintendent of insurance for purposes relating to the administration of Chapter 3953. of the Revised Code, to the commissioner of securities for purposes relating to the administration of Chapter 1707. of the Revised Code, or to local law enforcement agencies and local prosecutors. Information the division releases pursuant to this section remains confidential.

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(H) The superintendent of financial institutions shall, by rule adopted in accordance with Chapter 119. of the Revised Code, establish a process by which mortgage loan originators may challenge information provided to the nationwide mortgage licensing system and registry by the superintendent.

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(I) No person, in connection with any examination or investigation conducted by the superintendent under sections 1321.51 to 1321.60 of the Revised Code, shall knowingly do any of the following:

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(1) Circumvent, interfere with, obstruct, or fail to cooperate, including making a false or misleading statement, failing to produce records, or intimidating or suborning any witness; 1383
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(2) Withhold, abstract, remove, mutilate, destroy, or secrete any books, records, computer records, or other information; 1387
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(3) Tamper with, alter, or manufacture any evidence. 1389

Sec. 1321.551. (A) No registrant shall conduct the business 1390
of making loans under sections 1321.51 to 1321.60 of the Revised 1391
Code in any office, room, or place of business in which any other 1392
business is solicited or engaged in, or in association or 1393
conjunction with any other such business, if the superintendent of 1394
financial institutions finds, pursuant to a hearing conducted in 1395
accordance with Chapter 119. of the Revised Code, that the other 1396
business is of such a nature that the conduct tends to conceal 1397
evasion of sections 1321.51 to 1321.60 of the Revised Code or of 1398
the rules adopted under those sections, and orders the registrant 1399
in writing to desist from the conduct. 1400

(B) The business of a mortgage loan originator shall principally be transacted at an office of the registrant with whom the licensee is employed or associated, which office is registered in accordance with division (A)(1) of section 1321.52 of the Revised Code. Each original mortgage loan originator license shall be deposited with and maintained at the registrant's main office. A copy of the mortgage loan originator license shall be maintained and displayed at the office where the mortgage loan originator principally transacts business. 1401
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(C) If a mortgage loan originator's employment or association is terminated for any reason, the registrant shall return the original mortgage loan originator license to the superintendent 1410
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within five business days after the termination. The licensee may 1413
request the transfer of the license to another registrant by 1414
submitting a transfer application, along with a fifteen dollar fee 1415
and any fee required by the national mortgage licensing system and 1416
registry, to the superintendent, or may request in writing that 1417
the superintendent hold the license in escrow. A licensee whose 1418
license is held in escrow shall cease activity as a mortgage loan 1419
originator. A licensee whose license is held in escrow shall be 1420
required to apply for renewal annually and to comply with the 1421
annual continuing education requirement. 1422

(D) A registrant may employ or be associated with a mortgage 1423
loan originator on a temporary basis pending the transfer of the 1424
mortgage loan originator's license to the registrant, if the 1425
registrant receives written confirmation from the superintendent 1426
that the mortgage loan originator is licensed under sections 1427
1321.51 to 1321.60 of the Revised Code. 1428

(E) (1) Notwithstanding divisions (B), (C), and (D) of this 1429
section, if a mortgage loan originator is employed by or 1430
associated with a person claiming an exception under division (D) 1431
of section 1321.53 of the Revised Code, the mortgage loan 1432
originator shall maintain and display the original mortgage loan 1433
originator license at the office where the mortgage loan 1434
originator principally transacts business. 1435

(2) If a mortgage loan originator's employment or association 1436
is terminated for any reason, the licensee shall return the 1437
original mortgage loan originator license to the superintendent 1438
within five business days after the termination. The licensee may 1439
request the transfer of the license to a mortgage broker or other 1440
person claiming an exception under division (D) of section 1321.53 1441
of the Revised Code by submitting a transfer application, along 1442
with a fifteen dollar fee and any fee required by the national 1443

mortgage licensing system and registry, to the superintendent, or 1444
may request the superintendent in writing to hold the license in 1445
escrow. A licensee whose license is held in escrow shall cease 1446
activity as a mortgage loan originator. A licensee whose license 1447
is held in escrow shall be required to apply for renewal annually 1448
and to comply with the annual continuing education requirement. 1449

(3) The licensee may seek to be employed or associated with a 1450
mortgage broker or other person claiming an exception under 1451
division (D) of section 1321.53 of the Revised Code if the 1452
mortgage broker or person receives written confirmation from the 1453
superintendent that the mortgage loan originator is licensed under 1454
sections 1321.51 to 1321.60 of the Revised Code. 1455

(F) (1) No registrant, through its operations manager or 1456
otherwise, shall fail to reasonably supervise a mortgage loan 1457
originator or other persons employed by or associated with the 1458
registrant. 1459

(2) No registrant shall fail to establish reasonable 1460
procedures designed to avoid violations of sections 1321.51 to 1461
1321.60 of the Revised Code or rules adopted thereunder, or 1462
violations of applicable state and federal consumer and lending 1463
laws or rules, by mortgage loan originators or other persons 1464
employed by or associated with the registrant. 1465

(G) A license, or the authority granted under that license, 1466
is not assignable and cannot be franchised by contract or any 1467
other means. 1468

Sec. 1321.552. (A) Notwithstanding any provision of sections 1469
1321.51 to 1321.60 of the Revised Code, or any rule adopted 1470
thereunder, if the "Secure and Fair Enforcement for Mortgage 1471
Licensing Act of 2008," 122 Stat. 2810, 12 U.S.C. 5101, as 1472
amended, is modified after the effective date of this section, or 1473

any regulation, statement, or position is adopted under that act, 1474
and the item modified or adopted affects any matter within the 1475
scope of sections 1321.51 to 1321.60 of the Revised Code, the 1476
superintendent of financial institutions may by rule adopt a 1477
similar provision. 1478

(B) The superintendent shall adopt the rules authorized by 1479
this section in accordance with section 111.15 of the Revised 1480
Code. Chapter 119. of the Revised Code does not apply to rules 1481
adopted under the authority of this section. 1482

(C) A rule adopted by the superintendent under the authority 1483
of this section is effective on the later of the following dates: 1484

(1) The date the superintendent issues the rule; 1485

(2) The date the regulation, rule, interpretation, procedure, 1486
or guideline the superintendent's rule is based on becomes 1487
effective. 1488

(D) The superintendent may, upon thirty days' written notice, 1489
revoke any rule adopted under the authority of this section. A 1490
rule adopted under the authority of this section, and not revoked 1491
by the superintendent, lapses and has no further force and effect 1492
eighteen months after the rule's effective date. 1493

Sec. 1321.57. (A) Notwithstanding any other provisions of the 1494
Revised Code, a registrant may contract for and receive interest, 1495
calculated according to the actuarial method, at a rate or rates 1496
not exceeding twenty-one per cent per year on the unpaid principal 1497
balances of the loan. Loans may be interest-bearing or 1498
precomputed. 1499

(B) For purposes of computation of time on interest-bearing 1500
and precomputed loans, including, but not limited to, the 1501
calculation of interest, a month is considered one-twelfth of a 1502

year, and a day is considered one three hundred sixty-fifth of a
year when calculation is made for a fraction of a month. A year is
as defined in section 1.44 of the Revised Code. A month is that
period described in section 1.45 of the Revised Code.
Alternatively, a registrant may consider a day as one three
hundred sixtieth of a year and each month as having thirty days.

(C) With respect to interest-bearing loans: 1509

(1) (a) Interest shall be computed on unpaid principal 1510
balances outstanding from time to time, for the time outstanding. 1511

(b) As an alternative to the method of computing interest set 1512
forth in division (C) (1) (a) of this section, a registrant may 1513
charge and collect interest for the first installment period based 1514
on elapsed time from the date of the loan to the first scheduled 1515
payment due date, and for each succeeding installment period from 1516
the scheduled payment due date to the next scheduled payment due 1517
date, regardless of the date or dates the payments are actually 1518
made. 1519

(c) Whether a registrant computes interest pursuant to 1520
division (C) (1) (a) or (b) of this section, each payment shall be 1521
applied first to unpaid charges, then to interest, and the 1522
remainder to the unpaid principal balance. However, if the amount 1523
of the payment is insufficient to pay the accumulated interest, 1524
the unpaid interest continues to accumulate to be paid from the 1525
proceeds of subsequent payments and is not added to the principal 1526
balance. 1527

(2) Interest shall not be compounded, collected, or paid in 1528
advance. However, both of the following apply: 1529

(a) Interest may be charged to extend the first monthly 1530
installment period by not more than fifteen days, and the interest 1531
charged for the extension may be added to the principal amount of 1532

the loan. 1533

(b) If part or all of the consideration for a new loan 1534
contract is the unpaid principal balance of a prior loan, the 1535
principal amount payable under the new loan contract may include 1536
any unpaid interest that has accrued. The resulting loan contract 1537
shall be deemed a new and separate loan transaction for purposes 1538
of this section. The unpaid principal balance of a precomputed 1539
loan is the balance due after refund or credit of unearned 1540
interest as provided in division (D) (3) of this section. 1541

(D) With respect to precomputed loans: 1542

(1) Loans shall be repayable in monthly installments of 1543
principal and interest combined, except that the first installment 1544
period may exceed one month by not more than fifteen days, and the 1545
first installment payment amount may be larger than the remaining 1546
payments by the amount of interest charged for the extra days; and 1547
provided further that monthly installment payment dates may be 1548
omitted to accommodate borrowers with seasonal income. 1549

(2) Payments may be applied to the combined total of 1550
principal and precomputed interest until maturity of the loan. A 1551
registrant may charge interest after the original or deferred 1552
maturity of a precomputed loan at the rate specified in division 1553
(A) of this section on all unpaid principal balances for the time 1554
outstanding. 1555

(3) When any loan contract is paid in full by cash, renewal, 1556
refinancing, or a new loan, one month or more before the final 1557
installment due date, the registrant shall refund, or credit the 1558
borrower with, the total of the applicable charges for all fully 1559
unexpired installment periods, as originally scheduled or as 1560
deferred, that follow the day of prepayment. If the prepayment is 1561
made other than on a scheduled installment due date, the nearest 1562
scheduled installment due date shall be used in such computation. 1563

If the prepayment occurs prior to the first installment due date, 1564
the registrant may retain one-thirtieth of the applicable charge 1565
for a first installment period of one month for each day from date 1566
of loan to date of prepayment, and shall refund, or credit the 1567
borrower with, the balance of the total interest contracted for. 1568
If the maturity of the loan is accelerated for any reason and 1569
judgment is entered, the registrant shall credit the borrower with 1570
the same refund as if prepayment in full had been made on the date 1571
the judgment is entered. 1572

(4) If the parties agree in writing, either in the loan 1573
contract or in a subsequent agreement, to a deferment of wholly 1574
unpaid installments, a registrant may grant a deferment and may 1575
collect a deferment charge as provided in this section. A 1576
deferment postpones the scheduled due date of the earliest unpaid 1577
installment and all subsequent installments as originally 1578
scheduled, or as previously deferred, for a period equal to the 1579
deferment period. The deferment period is that period during which 1580
no installment is scheduled to be paid by reason of the deferment. 1581
The deferment charge for a one-month period may not exceed the 1582
applicable charge for the installment period immediately following 1583
the due date of the last undeferred installment. A proportionate 1584
charge may be made for deferment for periods of more or less than 1585
one month. A deferment charge is earned pro rata during the 1586
deferment period and is fully earned on the last day of the 1587
deferment period. If a loan is prepaid in full during a deferment 1588
period, the registrant shall make, or credit to the borrower, a 1589
refund of the unearned deferment charge in addition to any other 1590
refund or credit made for prepayment of the loan in full. 1591

(E) A registrant, at the request of the borrower, may obtain, 1592
on one or more borrowers, credit life insurance, credit accident 1593
and health insurance, and unemployment insurance. The premium or 1594

identifiable charge for the insurance may be included in the
principal amount of the loan and may not exceed the premium rate
filed by the insurer with the superintendent of insurance and not
disapproved by the superintendent. If a registrant obtains the
insurance at the request of the borrower, the borrower shall have
the right to cancel the insurance for a period of twenty-five days
after the loan is made. If the borrower chooses to cancel the
insurance, the borrower shall give the registrant written notice
of this choice and shall return all of the policies or
certificates of insurance or notices of proposed insurance to the
registrant during such period, and the full premium or
identifiable charge for the insurance shall be refunded to the
borrower by the registrant. If the borrower requests, in the
notice to cancel the insurance, that this refund be applied to
reduce the balance of a precomputed loan, the registrant shall
credit the amount of the refund plus the amount of interest
applicable to the refund to the loan balance.

If the registrant obtains the insurance at the request of the
borrower, the registrant shall not charge or collect interest on
any insured amount that remains unpaid after the insured
borrower's date of death.

(F) A registrant may require the borrower to provide
insurance or a loss payable endorsement covering reasonable risks
of loss, damage, and destruction of property used as security for
the loan and with the consent of the borrower such insurance may
cover property other than that which is security for the loan. The
amount and term of required property insurance shall be reasonable
in relation to the amount and term of the loan contract and the
type and value of the security, and the insurance shall be
procured in accordance with the insurance laws of this state. The
purchase of this insurance through the registrant or an agent or

broker designated by the registrant shall not be a condition
precedent to the granting of the loan. If the borrower purchases
the insurance from or through the registrant or from another
source, the premium may be included in the principal amount of the
loan.

(G) On loans secured by an interest in real estate, all of
the following apply:

(1) A registrant, if not prohibited by section 1343.011 of
the Revised Code, may charge and receive up to two points, and a
prepayment penalty not in excess of one per cent of the original
principal amount of the loan. Points may be paid by the borrower
at the time of the loan or may be included in the principal amount
of the loan. On a refinancing, a registrant may not charge under
division (G)(1) of this section either of the following:

(a) Points on the portion of the principal amount that is
applied to the unpaid principal amount of the refinanced loan, if
the refinancing occurs within one year after the date of the
refinanced loan on which points were charged;

(b) A prepayment penalty.

(2) As an alternative to the prepayment penalty described in
division (G)(1) of this section, a registrant may contract for,
charge, and receive the prepayment penalty described in division
(G)(2) of this section for the prepayment of a loan prior to two
years after the date the loan contract is executed. This
prepayment penalty shall not exceed two per cent of the original
principal amount of the loan if the loan is paid in full prior to
one year after the date the loan contract is executed. The penalty
shall not exceed one per cent of the original principal amount of
the loan if the loan is paid in full at any time from one year,
but prior to two years, after the date the loan contract is
executed. A registrant shall not charge or receive a prepayment

penalty under division (G) (2) of this section if any of the
following applies:

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(a) The loan is a refinancing by the same registrant or a
registrant to whom the loan has been assigned;

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(b) The loan is paid in full as a result of the sale of the
real estate that secures the loan;

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(c) The loan is paid in full with the proceeds of an
insurance claim against an insurance policy that insures the life
of the borrower or an insurance policy that covers loss, damage,
or destruction of the real estate that secures the loan.

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(3) Division (G) of this section is not a limitation on
discount points or other charges for purposes of section 501(b) (4)
of the "Depository Institutions Deregulation and Monetary Control
Act of 1980," 94 Stat. 161, 12 U.S.C.A. 1735f-7 note.

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(H) (1) In addition to the interest and charges provided for
by this section, no further or other amount, whether in the form
of broker fees, placement fees, or any other fees whatsoever,
shall be charged or received by the registrant, except costs and
disbursements in connection with any suit to collect a loan or any
lawful activity to realize on a security interest or mortgage
after default, including reasonable attorney fees, as limited by
division (H) (3) of this section, incurred by the registrant as a
result of the suit or activity and to which the registrant becomes
entitled by law, and except the following additional charges which
may be included in the principal amount of the loan or collected
at any time after the loan is made:

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(a) The amounts of fees authorized by law to record, file, or
release security interests and mortgages on a loan;

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(b) With respect to a loan secured by an interest in real
estate, the following closing costs, if they are bona fide,

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reasonable in amount, paid to third parties, and not for the purpose of circumvention or evasion of this section:

(i) Fees or premiums for title examination, abstract of title, title insurance, surveys, title endorsements, title binders, title commitments, home inspections, or pest inspections; settlement or closing costs paid by unaffiliated third parties, provided the costs are not for underwriting or processing services; courier fees; and any federally mandated flood plain certification fee;

(ii) If not paid to the registrant, an employee of the registrant, or a person ~~related to~~ affiliated with the registrant, fees for preparation of a mortgage, settlement statement, or other documents, fees for notarizing mortgages and other documents, appraisal fees, and fees for any federally mandated inspection of home improvement work financed by a second mortgage loan;

(c) Fees for credit investigations not exceeding ten dollars.

(2) Division (H)(1) of this section does not limit the rights of registrants to engage in other transactions with borrowers, provided the transactions are not a condition of the loan.

(I) If the loan contract or security instrument contains covenants by the borrower to perform certain duties pertaining to insuring or preserving security and the registrant pursuant to the loan contract or security instrument pays for performance of the duties on behalf of the borrower, the registrant may add the amounts paid to the unpaid principal balance of the loan or collect them separately. A charge for interest may be made for sums advanced not exceeding the rate of interest permitted by division (A) of this section. Within a reasonable time after advancing a sum, the registrant shall notify the borrower in writing of the amount advanced, any interest charged with respect to the amount advanced, any revised payment schedule, and shall

include a brief description of the reason for the advance. 1718

(J) (1) In addition to points authorized under division (G) of 1719
this section, a registrant may charge and receive the following: 1720

(a) With respect to ~~secured~~ loans secured by goods or real 1721
estate: if the principal amount of the loan is ~~less than~~ five 1722
hundred dollars or less, loan origination charges not exceeding 1723
fifteen dollars; if the principal amount of the loan is ~~at least~~ 1724
more than five hundred dollars but less than one thousand dollars, 1725
loan origination charges not exceeding thirty dollars; if the 1726
principal amount of the loan is at least one thousand dollars but 1727
less than two thousand dollars, loan origination charges not 1728
exceeding one hundred dollars; if the principal amount of the loan 1729
is at least two thousand dollars but less than five thousand 1730
dollars, loan origination charges not exceeding two hundred 1731
dollars; and if the principal amount of the loan is at least five 1732
thousand dollars, loan origination charges not exceeding the 1733
greater of two hundred fifty dollars or one per cent of the 1734
principal amount of the loan. 1735

(b) With respect to ~~unsecured~~ loans that are not secured by 1736
goods or real estate: if the principal amount of the loan is ~~less~~ 1737
~~than~~ five hundred dollars or less, loan origination charges not 1738
exceeding fifteen dollars; if the principal amount of the loan is 1739
~~at least~~ more than five hundred dollars but less than one thousand 1740
dollars, loan origination charges not exceeding thirty dollars; if 1741
the principal amount of the loan is at least one thousand dollars 1742
but less than five thousand dollars, loan origination charges not 1743
exceeding one hundred dollars; and if the principal amount of the 1744
loan is at least five thousand dollars, loan origination charges 1745
not exceeding the greater of two hundred fifty dollars or one per 1746
cent of the principal amount of the loan. 1747

(2) If a refinancing occurs within ninety days after the date 1748

of the refinanced loan, a registrant may not impose loan 1749
 origination charges on the portion of the principal amount that is 1750
 applied to the unpaid principal amount of the refinanced loan. 1751

(3) Loan origination charges may be paid by the borrower at 1752
 the time of the loan or may be included in the principal amount of 1753
 the loan. 1754

(K) A registrant may charge and receive check collection 1755
 charges not greater than twenty dollars plus any amount passed on 1756
 from other ~~financial~~ depository institutions for each check, 1757
 negotiable order of withdrawal, share draft, or other negotiable 1758
 instrument returned or dishonored for any reason. 1759

(L) If the loan contract so provides, a registrant may 1760
 collect a default charge on any installment not paid in full 1761
 within ten days after its due date. For this purpose, all 1762
 installments are considered paid in the order in which they become 1763
 due. Any amounts applied to an outstanding loan balance as a 1764
 result of voluntary release of a security interest, sale of 1765
 security on the loan, or cancellation of insurance shall be 1766
 considered payments on the loan, unless the parties otherwise 1767
 agree in writing at the time the amounts are applied. The amount 1768
 of the default charge shall not exceed the greater of five per 1769
 cent of the scheduled installment or fifteen dollars. 1770

Sec. 1321.59. (A) No registrant under sections 1321.51 to 1771
 1321.60 of the Revised Code shall permit any borrower to be 1772
 indebted for a loan made under sections 1321.51 to 1321.60 of the 1773
 Revised Code at any time while the borrower is also indebted to an 1774
 affiliate or agent of the registrant for a loan made under 1775
 sections 1321.01 to 1321.19 of the Revised Code for the purpose or 1776
 with the result of obtaining greater charges than otherwise would 1777
 be permitted by sections 1321.51 to 1321.60 of the Revised Code. 1778

(B) No registrant shall induce or permit any person to become 1779
 obligated to the registrant under sections 1321.51 to 1321.60 of 1780
 the Revised Code, directly or contingently, or both, under more 1781
 than one contract of loan at the same time for the purpose or with 1782
 the result of obtaining greater charges than would otherwise be 1783
 permitted by sections 1321.51 to 1321.60 of the Revised Code. 1784

(C) No registrant shall refuse to provide information 1785
 regarding the amount required to pay in full a loan under sections 1786
 1321.51 to 1321.60 of the Revised Code when requested by the 1787
 borrower or by another person designated in writing by the 1788
 borrower. 1789

(D) On any loan or application for a loan under sections 1790
 1321.51 to 1321.60 of the Revised Code secured by a mortgage on a 1791
 borrower's real estate which is other than a first lien on the 1792
 real estate, no person shall pay or receive, directly or 1793
 indirectly, fees or any other type of compensation for services of 1794
 a mortgage broker that, in the aggregate, exceed the lesser of one 1795
 thousand dollars or one per cent of the principal amount of the 1796
 loan. 1797

(E) No registrant or licensee shall obtain a certificate of 1798
 registration or license through any false or fraudulent 1799
 representation of a material fact or any omission of a material 1800
 fact required by state or federal law, or make any substantial 1801
 misrepresentation in the registration or license application. 1802

(F) No registrant or licensee shall make false or misleading 1803
 statements of a material fact, omissions of statements required by 1804
 state or federal law, or false promises regarding a material fact, 1805
 through advertising or other means, or engage in a continued 1806
 course of misrepresentations. 1807

(G) No registrant, licensee, or person making residential 1808
 mortgage loans without a certificate of registration in violation 1809

of division (A) of section 1321.52 of the Revised Code, shall 1810
engage in conduct that constitutes improper, fraudulent, or 1811
dishonest dealings. 1812

(H) No registrant, licensee, or applicant shall fail to 1813
notify the division of financial institutions within thirty days 1814
after any of the following: 1815

(1) Been convicted of or pleading guilty to a felony offense 1816
in a domestic, foreign, or military court; 1817

(2) Been convicted of or pleading guilty to any criminal 1818
offense involving theft, receiving stolen property, embezzlement, 1819
forgery, fraud, passing bad checks, money laundering, breach of 1820
trust, dishonesty, or drug trafficking, or any criminal offense 1821
involving money or securities, in a domestic, foreign, or military 1822
court; 1823

(3) Having a mortgage lender registration or mortgage loan 1824
originator license, or comparable authority, revoked in any 1825
governmental jurisdiction. 1826

(I) No registrant or licensee shall knowingly make, propose, 1827
or solicit fraudulent, false, or misleading statements on any 1828
mortgage document or on any document related to a mortgage loan, 1829
including a mortgage application, real estate appraisal, or real 1830
estate settlement or closing document. For purposes of this 1831
division, "fraudulent, false, or misleading statements" does not 1832
include mathematical errors, inadvertent transposition of numbers, 1833
typographical errors, or any other bona fide error. 1834

(J) No registrant or licensee shall knowingly instruct, 1835
solicit, propose, or otherwise cause a borrower to sign in blank a 1836
loan related document. 1837

(K) No registrant or licensee shall knowingly compensate, 1838
instruct, induce, coerce, or intimidate, or attempt to compensate, 1839

instruct, induce, coerce, or intimidate, a person licensed or certified as an appraiser under Chapter 4763. of the Revised Code for the purpose of corrupting or improperly influencing the independent judgment of the person with respect to the value of the dwelling offered as security for repayment of a mortgage loan.

(L) No registrant or licensee shall retain original documents provided to the registrant or licensee by the borrower in connection with the residential mortgage loan application, including income tax returns, account statements, or other financial related documents.

(M) No registrant or licensee shall receive, directly or indirectly, a premium on the fees charged for services performed by a bona fide third party.

(N) No registrant or licensee shall pay or receive, directly or indirectly, a referral fee or kickback of any kind to or from a bona fide third party or other party with a related interest in the transaction, including a home improvement builder, real estate developer, or real estate broker or agent, for the referral of business.

Sec. 1321.591. (A) No registrant or licensee shall use unfair, deceptive, or unconscionable means to collect or attempt to collect any claim.

(B) Conduct or activities deemed to violate division (A) of this section include, but are not limited to, the following:

(1) Collecting or attempting to collect any interest or other charge, fee, or expense incidental to the principal obligation, unless the interest or other fee, charge, or expense is expressly authorized by the agreement creating the obligation and by law;

(2) Communicating with a consumer whenever it is known that

the consumer is represented by an attorney and the attorney's name 1869
and address are known, or could be easily ascertained, unless the 1870
attorney fails to answer correspondence, return phone calls, or 1871
discuss the obligation in question or unless the attorney consents 1872
to direct communication with the consumer; 1873

(3) Placing a telephone call or otherwise communicating by 1874
telephone with a consumer or third party at any location, 1875
including a place of employment, and falsely stating that the call 1876
is urgent or an emergency; 1877

(4) Using profane or obscene language or language that is 1878
intended to unreasonably abuse the listener or reader; 1879

(5) Placing telephone calls without disclosure of the 1880
caller's identity and with the intent to annoy, harass, or 1881
threaten any person at the number called; 1882

(6) Causing expense to any person in the form of long 1883
distance telephone tolls, text messaging fees, or other charges 1884
incurred by a form of communication, by concealing the true 1885
purpose of the communication; 1886

(7) Causing a telephone to ring or engaging any person in 1887
telephone conversation repeatedly or continuously, or at unusual 1888
times or at times known to be inconvenient, with the intent to 1889
annoy, abuse, oppress, or threaten any person at the called 1890
number. 1891

Sec. 1321.592. (A) In connection with providing a 1892
non-brokered loan secured by a lien on real property, a registrant 1893
or licensee shall, not earlier than three business days nor later 1894
than twenty-four hours before the loan is closed, deliver to the 1895
borrower a written disclosure that includes the following: 1896

(1) A statement indicating whether property taxes will be 1897

<u>escrowed;</u>	1898
<u>(2) A description of what is covered by the regular monthly payment, including principal, interest, taxes, and insurance, as applicable.</u>	1899 1900 1901
<u>(B) If a residential mortgage loan applied for will exceed ninety per cent of the value of the real property, the registrant shall provide a statement to the borrower within three business days after taking the loan application, printed in boldface type of the minimum size of sixteen points, as follows: "You are applying for a loan that is more than 90% of your home's value. It will be hard for you to refinance this loan. If you sell your home, you might owe more money on the loan than you get from the sale."</u>	1902 1903 1904 1905 1906 1907 1908 1909 1910
<u>(C) No registrant or licensee shall fail to comply with this section.</u>	1911 1912
<u>Sec. 1321.593. (A) A registrant, licensee, and any person required to be registered or licensed under sections 1321.51 to 1321.60 of the Revised Code, in addition to duties imposed by other statutes or common law, shall do all of the following:</u>	1913 1914 1915 1916
<u>(1) Safeguard and account for any money handled for the borrower;</u>	1917 1918
<u>(2) Follow reasonable and lawful instructions from the borrower;</u>	1919 1920
<u>(3) Act with reasonable skill, care, and diligence;</u>	1921
<u>(4) Act in good faith and with fair dealing in any transaction, practice, or course of business in connection with making or originating any loan under sections 1321.51 to 1321.60 of the Revised Code;</u>	1922 1923 1924 1925
<u>(5) In connection with providing a loan secured by a lien on</u>	1926

real property, make reasonable efforts to provide a residential mortgage loan with rates, charges, and repayment terms that are advantageous to the borrower. 1927
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(B) Division (A) of this section shall not apply to wholesale lenders. However, wholesale lender registrants are subject to all other requirements applicable to registrants. For purposes of this division, "wholesale lender" means a company that has been issued a certificate of registration and that enters into transactions with borrowers exclusively through unaffiliated third-party mortgage brokers or lenders. 1930
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(C) The duties and standards of care created in this section cannot be waived or modified. 1937
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(D) (1) A borrower injured by a failure to comply with this section may bring an action for recovery of damages. 1939
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(2) Damages awarded under division (D) (1) of this section shall not be less than all compensation paid directly or indirectly to a registrant from any source, plus reasonable attorney's fees and court costs. 1941
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(3) The borrower may be awarded punitive damages. 1945

(E) A borrower injured by a failure to comply with this section is precluded from recovering any damages, attorney's fees, or costs, if the borrower has already recovered those damages, fees, or costs in a cause of action initiated under any other provision of sections 1321.51 to 1321.60 of the Revised Code and the recovery of damages for a failure to comply with this section is based on the same acts or circumstances as the recovery of damages under the other provision. 1946
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Sec. 1321.594. (A) In connection with making a non-brokered residential mortgage, no registrant or licensee shall fail to do 1954
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<u>either of the following:</u>	1956
<u>(1) Timely inform the borrower of any material change in the terms of the residential mortgage loan. For purposes of division</u>	1957
<u>(A) (1) of this section, "material change" means the following:</u>	1958
<u>(a) A change in the type of residential mortgage loan being offered, such as a fixed or variable rate loan or a loan with a balloon payment;</u>	1959
<u>(b) A change in the term of the loan, as reflected in the number of monthly payments due before a final payment is scheduled to be made;</u>	1960
<u>(c) A change in the interest rate of more than 0.15%;</u>	1961
<u>(d) A change in the regular total monthly payment, including principal, interest, any required mortgage insurance, and any escrowed taxes or property insurance, of more than five per cent;</u>	1962
<u>(e) A change regarding whether the escrow of taxes or insurance will be required;</u>	1963
<u>(f) A change regarding whether private mortgage insurance will be required.</u>	1964
<u>(2) Timely inform the borrower if any fees payable by the borrower to the licensee, registrant, or lender increase by more than ten per cent or one hundred dollars, whichever is greater.</u>	1965
<u>(B) The disclosures required by this section shall be deemed timely if the registrant or licensee provides the borrower with the revised information not later than twenty-four hours after the change occurs, or twenty-four hours before the loan is closed, whichever is earlier.</u>	1966
<u>(C) If an increase in the total amount of the fee to be paid by the borrower to the registrant or licensee is not disclosed in</u>	1967
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accordance with division (A)(2) of this section, the registrant or licensees shall refund to the borrower the amount by which the fee was increased. If the fee is financed into the loan, the registrant or licensee shall also refund to the borrower the interest that would accrue over the term of the loan on that excess amount. 1984
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Sec. 1321.595. (A)(1) A borrower injured by a violation of or failure to comply with section 1321.59, 1321.592, 1321.594, or 1321.60 of the Revised Code may bring an action for the recovery of damages. 1990
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(2) Damages awarded under division (A)(1) of this section shall not be less than all compensation paid directly and indirectly to a lender or mortgage loan originator from any source, plus reasonable attorney's fees and court costs. 1994
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(3) The borrower may be awarded punitive damages. 1998

(B) Nothing in this section prevents the recovery of damages under division (D) or (G) of section 1321.52, section 1321.56, or section 1321.593 of the Revised Code. 1999
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(C) A borrower injured by a violation of or failure to comply with any of the sections specified in division (A)(1) of this section is precluded from recovering any damages, plus reasonable attorney's fees and costs, if the borrower has also recovered any damages in a cause of action initiated under section 1321.593 of the Revised Code and the recovery of damages for a violation of or failure to comply with any of the sections specified in division (A)(1) of this section is based on the same acts or circumstances as the recovery of damages under division (D) or (G) of section 1321.52, section 1321.56, or section 1321.593 of the Revised Code. 2002
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Sec. 1321.60. (A)(1) Advertising for loans subject to 2012

sections 1321.51 to 1321.60 of the Revised Code shall not be 2013
false, misleading, or deceptive. 2014

(2) False, misleading, or deceptive advertising includes, but 2015
is not limited to, the following: 2016

(a) Any advertisement indicating that special terms, reduced 2017
rates, guaranteed rates, particular rates, or any other special 2018
feature of mortgage loans is available unless the advertisement 2019
clearly states any limitations that apply: 2020

(b) Any advertisement containing a rate or special fee offer 2021
that is not a bona fide available rate or fee. 2022

(B) In making any advertisement, a registrant shall comply 2023
with 12 C.F.R. 226.16, as amended. 2024

Sec. 1321.99. (A) Whoever violates section 1321.02 of the 2025
Revised Code is guilty of a felony of the fifth degree. 2026

(B) Whoever violates section 1321.13 of the Revised Code 2027
shall be fined not less than one hundred nor more than five 2028
hundred dollars or imprisoned not more than six months, or both. 2029

(C) Whoever violates section 1321.14 of the Revised Code 2030
shall be fined not less than fifty nor more than two hundred 2031
dollars for a first offense; for a second offense such person 2032
shall be fined not less than two hundred nor more than five 2033
hundred dollars and imprisoned for not more than six months. 2034

(D) Whoever willfully violates section 1321.57, 1321.58, 2035
division (A), (B), (C), or (D) of section 1321.59, 1321.591, or 2036
1321.60 of the Revised Code is guilty of a minor misdemeanor and 2037
shall be fined not less than one nor more than five hundred 2038
dollars. 2039

(E) Whoever violates section 1321.52 or division (I), (J), 2040
(K), (L), or (M) of section 1321.59 of the Revised Code is guilty 2041

of a felony of the fifth degree. 2042

(F) Whoever violates division (A) of section 1321.73 of the Revised Code shall be fined not more than five hundred dollars or imprisoned not more than six months, or both. 2043
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(G) Whoever violates section 1321.41 of the Revised Code is guilty of a misdemeanor of the first degree. 2046
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(H) Whoever violates division (N) of section 1321.59 of the Revised Code is guilty of a felony of the fourth degree. 2048
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(I) The imposition of fines pursuant to this section does not preclude the imposition of any administrative fines or civil penalties authorized under section 1321.54 or any other section of the Revised Code. 2050
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Sec. 1322.01. As used in sections 1322.01 to 1322.12 of the Revised Code: 2054
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(A) "Buyer" means an individual who is solicited to purchase or who purchases the services of a mortgage broker for purposes other than of obtaining a business residential mortgage loan as described in division (B)(6) of section 1343.01 of the Revised Code. 2056
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(B) "Consumer reporting agency" has the same meaning as in the "Fair Credit Reporting Act," 84 Stat. 1128, 15 U.S.C.A. 1681a, as amended. 2061
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(C) "Employee" means an individual for whom a mortgage broker, in addition to providing a wage or salary, pays social security and unemployment taxes, provides workers' compensation coverage, and withholds local, state, and federal income taxes. 2064
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"Employee" also includes any ~~shareholder, member, or partner of a registrant~~ individual who acts as a loan ~~officer~~ originator or operations manager of ~~the~~ a registrant, but for whom the 2068
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registrant is prevented by law from making income tax
withholdings. 2071
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(D) "Licensee" means any ~~person that~~ individual who has been
issued a loan ~~officer~~ originator license under sections 1322.01 to
1322.12 of the Revised Code. 2073
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(E) (1) "Loan officer originator" means an ~~employee~~ individual
who ~~originates mortgage loans in consideration of direct for~~
compensation or ~~indirect gain, profit, fees, or charges.~~ "Loan
~~officer"~~ also ~~includes an employee who solicits financial and~~
~~mortgage information from the public for sale to another mortgage~~
~~broker or in anticipation of compensation or gain, does any of the~~
following: 2076
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(a) Takes or offers to take a residential mortgage loan
application; 2083
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(b) Assists or offers to assist a buyer in obtaining or
applying to obtain a residential mortgage loan by, among other
things, advising on loan terms, including rates, fees, and other
costs; 2085
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(c) Offers or negotiates terms of a residential mortgage
loan; 2089
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(d) Issues or offers to issue a commitment for a residential
mortgage loan to a buyer. 2091
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(2) "Loan originator" does not include any of the following: 2093

(a) An individual who performs purely administrative or
clerical tasks on behalf of a loan originator; 2094
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(b) A person licensed under Chapter 4735. of the Revised
Code, or under the similar law of another state, who performs only
real estate brokerage activities permitted by that license,
provided the person is not compensated by a mortgage lender,
mortgage broker, loan originator, or by any agent thereof; 2096
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(c) A person solely involved in extensions of credit relating to timeshare plans, as that term is defined in 11 U.S.C. 101 in effect on January 1, 2008; 2101
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(d) An employee of a registrant who acts solely as a loan processor or underwriter and who does not represent to the public, through advertising or other means of communicating, including the use of business cards, stationery, brochures, signs, rate lists, or other promotional items, that the employee can or will perform any of the activities of a loan originator; 2104
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(e) A mortgage loan originator licensed under sections 1321.51 to 1321.60 of the Revised Code, when acting solely under that authority; 2110
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(f) A licensed attorney who negotiates the terms of a residential mortgage loan on behalf of a client as an ancillary matter to the attorney's representation of the client, unless the attorney is compensated by a lender, a mortgage broker, or another loan originator, or by any agent thereof; 2113
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(g) Any person engaged in the retail sale of manufactured or mobile homes if, in connection with obtaining financing by others for those retail sales, the person only assists the borrower by providing or transmitting the loan application and does not do any of the following: 2118
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(i) Offer or negotiate the residential mortgage loan rates or terms; 2123
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(ii) Provide any counseling with borrowers about residential mortgage loan rates or terms; 2125
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(iii) Receive any payment or fee from any company or individual for assisting the borrower obtain or apply for financing to purchase the manufactured or mobile home; 2127
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(iv) Assist the borrower in completing a residential mortgage 2130

<u>loan application.</u>	2131
(F) "Mortgage" means any indebtedness secured by a deed of trust, security deed, or other lien on real property.	2132 2133
(G) <u>(1)</u> "Mortgage broker" means any of the following:	2134
(1) <u>(a)</u> A person that holds that person out as being able to assist a buyer in obtaining a mortgage and charges or receives from either the buyer or lender money or other valuable consideration readily convertible into money for providing this assistance;	2135 2136 2137 2138 2139
(2) <u>(b)</u> A person that solicits financial and mortgage information from the public, provides that information to a mortgage broker <u>or a person that makes residential mortgage loans,</u> and charges or receives from the mortgage broker <u>either of them</u> money or other valuable consideration readily convertible into money for providing the information;	2140 2141 2142 2143 2144 2145
(3) <u>(c)</u> A person engaged in table-funding or warehouse-lending mortgage loans that are first lien <u>residential</u> mortgage loans.	2146 2147
<u>(2) "Mortgage broker" does not include any of the following:</u>	2148
<u>(a) A person that makes residential mortgage loans and receives a scheduled payment on each of those mortgage loans;</u>	2149 2150
<u>(b) Any entity chartered and lawfully doing business under the authority of any law of this state, another state, or the United States as a bank, savings bank, trust company, savings and loan association, or credit union, or a subsidiary of any such entity, which subsidiary is regulated by a federal banking agency and is owned and controlled by a depository institution;</u>	2151 2152 2153 2154 2155 2156
<u>(c) A consumer reporting agency that is in substantial compliance with the "Fair Credit Reporting Act," 84 Stat. 1128, 15 U.S.C.A. 1681a, as amended;</u>	2157 2158 2159

(d) Any political subdivision, or any governmental or other public entity, corporation, instrumentality, or agency, in or of the United States or any state; 2160
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(e) A college or university, or controlled entity of a college or university, as those terms are defined in section 1713.05 of the Revised Code; 2163
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(f) Any entity created solely for the purpose of securitizing loans secured by an interest in real estate, provided the entity does not service the loans. For purposes of division (G) (2) (f) of this section "securitizing" means the packaging and sale of mortgage loans as a unit for sale as investment securities, but only to the extent of those activities. 2166
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(g) Any person engaged in the retail sale of manufactured or mobile homes if, in connection with obtaining financing by others for those retail sales, the person only assists the borrower by providing or transmitting the loan application and does not do any of the following: 2172
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(i) Offer or negotiate the residential mortgage loan rates or terms; 2177
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(ii) Provide any counseling with borrowers about residential mortgage loan rates or terms; 2179
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(iii) Receive any payment or fee from any company or individual for assisting the borrower obtain or apply for financing to purchase the manufactured or mobile home; 2181
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(iv) Assist the borrower in completing the residential mortgage loan application. 2184
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(h) A mortgage banker, provided it complies with section 1322.022 of the Revised Code and holds a valid letter of exemption issued by the superintendent. For purposes of this section, "mortgage banker" means any person that makes, services, buys, or 2186
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sells only residential mortgage loans secured by a first lien, 2190
that underwrites the loans, and that meets at least one of the 2191
following criteria: 2192

(i) The person has been directly approved by the United 2193
States department of housing and urban development as a 2194
nonsupervised mortgagee with participation in the direct 2195
endorsement program. Division (G) (2) (h) (i) of this section 2196
includes a person that has been directly approved by the United 2197
States department of housing and urban development as a 2198
nonsupervised mortgagee with participation in the direct 2199
endorsement program and that makes loans in excess of the 2200
applicable loan limit set by the federal national mortgage 2201
association, provided that the loans in all respects, except loan 2202
amounts, comply with the underwriting and documentation 2203
requirements of the United States department of housing and urban 2204
development. Division (G) (2) (h) (i) of this section does not 2205
include a mortgagee approved as a loan correspondent. 2206

(ii) The person has been directly approved by the federal 2207
national mortgage association as a seller/servicer. Division 2208
(G) (2) (h) (ii) of this section includes a person that has been 2209
directly approved by the federal national mortgage association as 2210
a seller/servicer and that makes loans in excess of the applicable 2211
loan limit set by the federal national mortgage association, 2212
provided that the loans in all respects, except loan amounts, 2213
comply with the underwriting and documentation requirements of the 2214
federal national mortgage association. 2215

(iii) The person has been directly approved by the federal 2216
home loan mortgage corporation as a seller/servicer. Division 2217
(G) (2) (h) (iii) of this section includes a person that has been 2218
directly approved by the federal home loan mortgage corporation as 2219
a seller/servicer and that makes loans in excess of the applicable 2220

loan limit set by the federal home loan mortgage corporation, 2221
provided that the loans in all respects, except loan amounts, 2222
comply with the underwriting and documentation requirements of the 2223
federal home loan mortgage corporation. 2224

(iv) The person has been directly approved by the United 2225
States department of veterans affairs as a nonsupervised automatic 2226
lender. Division (G) (2) (h) (iv) of this section does not include a 2227
person directly approved by the United States department of 2228
veterans affairs as a nonsupervised lender, an agent of a 2229
nonsupervised automatic lender, or an agent of a nonsupervised 2230
lender. 2231

(H) "Operations manager" means the individual employee or 2232
owner responsible for the everyday operations, compliance 2233
 requirements, and management of a mortgage broker business. 2234

(I) "Originate Registered loan originator" means ~~to do any an~~ 2235
individual to whom both of the following apply: 2236

(1) ~~Negotiate or arrange, or offer to negotiate or arrange, a~~ 2237
~~mortgage loan between a person that makes or funds mortgage loans~~ 2238
~~and a buyer;~~ The individual is a loan originator and an employee 2239
of a depository institution, a subsidiary that is owned and 2240
controlled by a depository institution and regulated by a federal 2241
banking agency, or an institution regulated by the farm credit 2242
administration. 2243

(2) ~~Issue a commitment for a mortgage loan to a buyer;~~ 2244

(3) ~~Place, assist in placement, or find a mortgage loan for a~~ 2245
~~buyer~~ The individual is registered with, and maintains a unique 2246
identifier through, the nationwide mortgage licensing system and 2247
registry. 2248

(J) "Registrant" means any person that has been issued a 2249
 mortgage broker certificate of registration under sections 1322.01 2250

to 1322.12 of the Revised Code. 2251

(K) "Superintendent of financial institutions" includes the 2252
deputy superintendent for consumer finance as provided in section 2253
1181.21 of the Revised Code. 2254

(L) "Table-funding mortgage loan" means a residential 2255
mortgage loan transaction in which the residential mortgage loan 2256
is initially payable to the mortgage broker, the mortgage broker 2257
does not use the mortgage broker's own funds to fund the 2258
transaction, and, by the terms of the mortgage or other agreement, 2259
the mortgage is simultaneously assigned to another person. 2260

(M) "Warehouse-lending mortgage loan" means a residential 2261
mortgage loan transaction in which the residential mortgage loan 2262
is initially payable to the mortgage broker, the mortgage broker 2263
uses the mortgage broker's own funds to fund the transaction, and 2264
the mortgage is sold or assigned before the mortgage broker 2265
receives a scheduled payment on the residential mortgage loan. 2266

(N) "Administrative or clerical tasks" means the receipt, 2267
collection, and distribution of information common for the 2268
processing or underwriting of a loan in the mortgage industry, and 2269
communication with a consumer to obtain information necessary for 2270
the processing or underwriting of a residential mortgage loan. 2271

(O) "Appraisal company" means a sole proprietorship, 2272
partnership, corporation, limited liability company, or any other 2273
business entity or association, that employs or retains the 2274
services of a person licensed or certified under Chapter 4763. of 2275
the Revised Code for purposes of performing residential real 2276
estate appraisals for mortgage loans. 2277

(P) "Depository institution" has the same meaning as in 2278
section 3 of the "Federal Deposit Insurance Act," 64 Stat. 873, 12 2279
U.S.C. 1813, and includes any credit union. 2280

(O) "Federal banking agency" means the board of governors of the federal reserve system, the comptroller of the currency, the director of the office of thrift supervision, the national credit union administration, and the federal deposit insurance corporation. 2281
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(R) "Immediate family" means an individual's spouse, child, stepchild, parent, stepparent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, or sister-in-law. 2286
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(S) "Individual" means a natural person. 2289

(T) "Loan processor or underwriter" means an individual who performs clerical or support duties at the direction of and subject to the supervision and instruction of a loan originator or registered loan originator. For purposes of this division, "clerical or support duties" includes the following activities: 2290
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(1) The receipt, collection, distribution, and analysis of information common for the processing or underwriting of a residential mortgage loan; 2295
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(2) Communicating with a buyer to obtain the information necessary for the processing or underwriting of a loan, to the extent the communication does not include offering or negotiating loan rates or terms or counseling buyers about residential mortgage loan rates or terms. 2298
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(U) "Nationwide mortgage licensing system and registry" means a mortgage licensing system developed and maintained by the conference of state bank supervisors and the American association of residential mortgage regulators, or their successor entities, for the licensing and registration of loan originators, or any system established by the secretary of housing and urban development pursuant to the "Secure and Fair Enforcement for Mortgage Licensing Act of 2008," 122 Stat. 2810, 12 U.S.C. 5101. 2303
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(V) "Nontraditional mortgage product" means any mortgage product other than a thirty-year fixed rate mortgage. 2311
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(W) "Real estate brokerage activity" means any activity that involves offering or providing real estate brokerage services to the public, including all of the following: 2313
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(1) Acting as a real estate agent or real estate broker for a buyer, seller, lessor, or lessee of real property; 2316
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(2) Bringing together parties interested in the sale, purchase, lease, rental, or exchange of real property, other than in connection with providing financing for any such transaction; 2318
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(3) Negotiating, on behalf of any party, any portion of a contract relating to the sale, purchase, lease, rental, or exchange of real property, other than in connection with providing financing for any such transaction; 2321
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(4) Engaging in any activity for which a person engaged in that activity is required to be registered or licensed as a real estate agent or real estate broker under any applicable law; 2325
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(5) Offering to engage in any activity, or to act in any capacity, described in division (W) of this section. 2328
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(X) "Residential mortgage loan" means any loan primarily for personal, family, or household use that is secured by a mortgage on a dwelling or on residential real estate in this state upon which is constructed or intended to be constructed a dwelling. For purposes of this division, "dwelling" has the same meaning as in section 103 of the "Truth in Lending Act," 82 Stat. 146, 15 U.S.C 1602. 2330
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(Y) "State," in the context of referring to states in addition to Ohio, means any state of the United States, the district of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the trust territory of the Pacific 2337
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islands, the virgin islands, and the northern Mariana islands;

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(Z) "Unique identifier" means a number or other identifier that permanently identifies a loan originator and is assigned by protocols established by the nationwide mortgage licensing system and registry or federal banking agencies to facilitate electronic tracking of loan originators and uniform identification of, and public access to, the employment history of and the publicly adjudicated disciplinary and enforcement actions against loan originators.

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Sec. 1322.02. (A) (1) No person, on the person's own behalf or on behalf of any other person, shall act as a mortgage broker without first having obtained a certificate of registration from the superintendent of financial institutions for every office to be maintained by the person for the transaction of business as a mortgage broker in this state. A registrant shall maintain an office location in this state for the transaction of business as a mortgage broker in this state.

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(2) No person shall act or hold that person's self out as a mortgage broker under the authority or name of a registrant or person exempt from sections 1322.01 to 1322.12 of the Revised Code without first having obtained a certificate of registration from the superintendent for every office to be maintained by the person for the transaction of business as a mortgage broker in this state.

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(B) (1) No person, on the person's own behalf or on behalf of any other person, individual shall act as a loan officer originator employed by or associated with a mortgage broker without first having obtained a license from the superintendent. A loan officer originator shall be employed by or associated with a mortgage broker or any person or entity listed in division (G)(2)

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of section 1322.01 of the Revised Code, but shall not be employed 2371
by or associated with more than one mortgage broker or person or 2372
entity at any one time. 2373

(2) An individual acting under the individual's authority as 2374
a registered loan originator shall not be required to be licensed 2375
under division (B)(1) of this section. 2376

~~(C) (1) The following persons are exempt from sections 1322.01~~ 2377
~~to 1322.12 of the Revised Code only with respect to business~~ 2378
~~engaged in or authorized by their charter, license, authority,~~ 2379
~~approval, or certificate, or as otherwise authorized by division~~ 2380
~~(C) (1) (g) of this section:~~ 2381

~~(a) A bank, savings bank, savings and loan association,~~ 2382
~~credit union, or credit union service organization organized under~~ 2383
~~the laws of this state, another state, or the United States, or a~~ 2384
~~subsidiary or affiliate of a bank, savings bank, savings and loan~~ 2385
~~association, credit union, or credit union service organization.~~ 2386
~~As used in this division, "affiliate" means an entity that~~ 2387
~~controls, is controlled by, or is under common control with, a~~ 2388
~~bank, savings bank, savings and loan association, credit union, or~~ 2389
~~credit union service organization and that the board of governors~~ 2390
~~of the federal reserve system, the comptroller of the currency,~~ 2391
~~the office of thrift supervision, the federal deposit insurance~~ 2392
~~corporation, or the national credit union administration has the~~ 2393
~~authority to examine, supervise, and regulate including with~~ 2394
~~respect to the affiliate's compliance with applicable consumer~~ 2395
~~protection requirements.~~ 2396

~~(b) A budget and debt counseling service, as defined in~~ 2397
~~division (D) of section 2716.03 of the Revised Code, provided that~~ 2398
~~the service is a nonprofit organization exempt from taxation under~~ 2399
~~section 501(c)(3) of the "Internal Revenue Code of 1986," 100~~ 2400
~~Stat. 2085, 26 U.S.C.A. 501, as amended, and that the service is~~ 2401

~~in compliance with Chapter 4710. of the Revised Code;~~ 2402

~~(c) A consumer reporting agency that is in substantial 2403
compliance with the "Fair Credit Reporting Act," 84 Stat. 1128, 15 2404
U.S.C.A. 1681a, as amended;~~ 2405

~~(d) Any political subdivision, or any governmental or other 2406
public entity, corporation, or agency, in or of the United States 2407
or any state of the United States;~~ 2408

~~(e) A college or university, or controlled entity of a 2409
college or university, as defined in section 1713.05 of the 2410
Revised Code;~~ 2411

~~(f) A person registered under sections 1321.51 to 1321.60 of 2412
the Revised Code, provided that not more than five per cent of the 2413
person's mortgage loans constitute table funding mortgage loans or 2414
warehouse lending mortgage loans. Division (C) (1) (f) of this 2415
section does not include any person that is also registered or 2416
licensed under sections 1322.01 to 1322.12 of the Revised Code.~~ 2417

~~(g) A mortgage banker. For purposes of division (C) (1) (g) of 2418
this section, "mortgage banker" means any person that makes, 2419
services, buys, or sells mortgage loans, that underwrites the 2420
loans, and that meets at least one of the following criteria: 2421~~

~~(i) The person has been directly approved by the United 2422
States department of housing and urban development as a 2423
nonsupervised mortgagee with participation in the direct 2424
endorsement program. Division (C) (1) (g) (i) of this section 2425
includes a person that has been directly approved by the United 2426
States department of housing and urban development as a 2427
nonsupervised mortgagee with participation in the direct 2428
endorsement program and that makes loans in excess of the 2429
applicable loan limit set by the federal national mortgage 2430
association, provided that the loans in all respects, except loan 2431~~

~~amounts, comply with the underwriting and documentation requirements of the United States department of housing and urban development. Division (C) (1) (g) (i) of this section does not include a mortgagee approved as a loan correspondent.~~

~~(ii) The person has been directly approved by the federal national mortgage association as a seller/servicer. Division (C) (1) (g) (ii) of this section includes a person that has been directly approved by the federal national mortgage association as a seller/servicer and that makes loans in excess of the applicable loan limit set by the federal national mortgage association, provided that the loans in all respects, except loan amounts, comply with the underwriting and documentation requirements of the federal national mortgage association.~~

~~(iii) The person has been directly approved by the federal home loan mortgage corporation as a seller/servicer. Division (C) (1) (g) (iii) of this section includes a person that has been directly approved by the federal home loan mortgage corporation as a seller/servicer and that makes loans in excess of the applicable loan limit set by the federal home loan mortgage corporation, provided that the loans in all respects, except loan amounts, comply with the underwriting and documentation requirements of the federal home loan mortgage corporation.~~

~~(iv) The person has been directly approved by the United States department of veterans affairs as a nonsupervised automatic lender. Division (C) (1) (g) (iv) of this section does not include a person directly approved by the United States department of veterans affairs as a nonsupervised lender, an agent of a nonsupervised automatic lender, or an agent of a nonsupervised lender.~~

~~(h) A person created solely for the purpose of securitizing loans secured by an interest in real estate, provided the person~~

~~does not service the loans. For purposes of division (C) (1) (h) of this section, "securitizing" means the packaging and sale of mortgage loans as a unit for sale as investment securities, but only to the extent of those activities~~ Each licensee shall register with, and maintain a valid unique identifier issued by, the nationwide mortgage licensing system and registry.

~~(2) Any individual who is employed by a person exempt from sections 1322.01 to 1322.12 of the Revised Code is also exempt from those sections to the extent the individual is acting within the scope of the individual's employment and within the scope of the exempt person's charter, license, authority, approval, or certificate~~ No person shall use a licensee's unique identifier for any purpose other than as set forth in the "Secure and Fair Enforcement for Mortgage Licensing Act of 2008," 122 Stat. 2810, 12 U.S.C. 5101.

Sec. 1322.022. (A) A mortgage banker seeking exemption from registration pursuant to division (G) (2) (h) of section 1322.01 of the Revised Code shall submit an application to the superintendent of financial institutions along with a nonrefundable fee of three hundred fifty dollars for each location of an office to be maintained by the mortgage banker. The application shall be in a form prescribed by the superintendent and shall include all of the following:

(1) The mortgage banker's business name and state of incorporation or business registration;

(2) The names of the owners, officers, or partners having control of the business;

(3) An attestation to all of the following:

(a) That the mortgage banker and its owners, officers, or partners identified in division (A) (2) of this section have not

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had a mortgage banker license, mortgage broker certificate of 2493
registration, or loan originator license, or any comparable 2494
authority, revoked in any governmental jurisdiction; 2495

(b) That the mortgage banker and its owners, officers, or 2496
partners identified in division (A) (2) of this section have not 2497
been convicted of, or pleaded guilty to, any of the following: 2498

(i) During the seven-year period immediately preceding the 2499
date of application for exemption, a felony in a domestic, 2500
foreign, or military court; 2501

(ii) At any time prior to the date of application for 2502
exemption, a felony involving an act of fraud, dishonesty, a 2503
breach of trust, theft, or money laundering in a domestic, 2504
foreign, or military court; 2505

(iii) During the seven-year period immediately preceding the 2506
date of application for exemption, a misdemeanor involving theft 2507
in a domestic, foreign, or military court. 2508

(c) That, with respect to financing residential mortgage 2509
loans, the mortgage banker only conducts business with residents 2510
of this state, or secures its loans with property located in this 2511
state, under authority of an approval described in division 2512
(G) (2) (h) of section 1322.01 of the Revised Code. 2513

(4) The names of all loan originators or licensees under the 2514
mortgage banker's control and direction; 2515

(5) An acknowledgment of understanding that the mortgage 2516
banker is subject to the regulatory authority of the division of 2517
financial institutions; 2518

(6) Any further information that the superintendent may 2519
require. 2520

(B) (1) If the superintendent determines that the mortgage 2521

banker honestly made the attestation required under division 2522
(A) (3) of this section and otherwise qualifies for exemption, the 2523
superintendent shall issue a letter of exemption. Additional 2524
certified copies of a letter of exemption shall be provided upon 2525
request and the payment of seventy-five dollars per copy. 2526

(2) If the superintendent determines that the mortgage banker 2527
does not qualify for exemption, the superintendent shall issue a 2528
notice of denial, and the mortgage banker may request a hearing in 2529
accordance with Chapter 119. of the Revised Code. 2530

(C) All of the following conditions apply to any mortgage 2531
banker holding a valid letter of exemption: 2532

(1) The mortgage banker shall be subject to examination in 2533
the same manner as a registrant with respect to the conduct of the 2534
mortgage banker's loan originators. In conducting any out-of-state 2535
examination, a mortgage banker shall be responsible for paying the 2536
costs of the division in the same manner as a registrant. 2537

(2) The mortgage banker shall have an affirmative duty to 2538
supervise the conduct of its loan originators, and to cooperate 2539
with investigations by the division with respect to that conduct, 2540
in the same manner as is required of registrants. 2541

(3) The mortgage banker shall keep and maintain records of 2542
all transactions relating to the conduct of its loan originators 2543
in the same manner as is required of registrants. 2544

(4) The mortgage banker may provide the surety bond for its 2545
licensees in the same manner as is permitted for registrants. 2546

(D) A letter of exemption expires annually on the 2547
thirty-first day of December and may be renewed on or before that 2548
date by submitting an application that meets the requirements of 2549
division (A) of this section and a nonrefundable renewal fee of 2550
three hundred fifty dollars for each location of an office to be 2551

maintained by the mortgage banker.

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(E) The superintendent may issue a notice to revoke or suspend a letter of exemption if the superintendent finds that the letter was obtained through a false or fraudulent representation of a material fact, or the omission of a material fact, required by law, or that a condition for exemption is no longer being met. Prior to issuing an order of revocation or suspension, the mortgage banker shall be given an opportunity for a hearing in accordance with Chapter 119. of the Revised Code.

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(F) All information obtained by the division pursuant to an examination or investigation under this section shall be subject to the confidentiality requirements set forth in section 1322.061 of the Revised Code.

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(G) All money collected under this section shall be deposited into the state treasury to the credit of the consumer finance fund created in section 1321.21 of the Revised Code.

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Sec. 1322.023. The superintendent of financial institutions may, by rule, expand the definition of loan originator or mortgage broker in section 1322.01 of the Revised Code by adding individuals, persons, or entities, or may exempt additional individuals, persons, or entities from those definitions, if the superintendent finds that the addition or exemption is consistent with the purposes fairly intended by the policy and provisions of sections 1322.01 to 1322.12 of the Revised Code and the "Secure and Fair Enforcement for Mortgage Licensing Act of 2008," 122 Stat. 2810, 12 U.S.C. 5101.

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Rules authorized by this section shall be adopted in accordance with Chapter 119. of the Revised Code.

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Sec. 1322.024. (A) Notwithstanding any provision of sections

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1322.01 to 1322.12 of the Revised Code, or any rule adopted 2581
thereunder, if the "Secure and Fair Enforcement for Mortgage 2582
Licensing Act of 2008," 122 Stat. 2810, 12 U.S.C. 5101, as 2583
amended, is modified after the effective date of this section, or 2584
any regulation, statement, or position is adopted under that act, 2585
and the item modified or adopted affects any matter within the 2586
scope of sections 1322.01 to 1322.12 of the Revised Code, the 2587
superintendent of financial institutions may by rule adopt a 2588
similar provision. 2589

(B) The superintendent shall adopt the rules authorized by 2590
this section in accordance with section 111.15 of the Revised 2591
Code. Chapter 119. of the Revised Code does not apply to rules 2592
adopted under the authority of this section. 2593

(C) A rule adopted by the superintendent under the authority 2594
of this section is effective on the later of the following dates: 2595

(1) The date the superintendent issues the rule; 2596

(2) The date the regulation, rule, interpretation, procedure, 2597
or guideline the superintendent's rule is based on becomes 2598
effective. 2599

(D) The superintendent may, upon thirty days' written notice, 2600
revoke any rule adopted under the authority of this section. A 2601
rule adopted under the authority of this section, and not revoked 2602
by the superintendent, lapses and has no further force and effect 2603
eighteen months after the rule's effective date." 2604

In line 16965, after "fee" insert "and any additional fee 2605
required by the nationwide mortgage licensing system and registry" 2606

In line 16970, after "the" insert "superintendent may require 2607
that the"; strike through "shall"; strike through "certified" 2608

In line 16972, strike through "shall be accompanied" 2609

In line 16976, strike through everything after the period	2610
Strike through line 16977	2611
In line 16978, strike through "will be transacted."	2612
In line 16988, strike through everything after "(3)"	2613
Strike through line 16989	2614
In line 16990, strike through the first "the" and insert	2615
" <u>Each</u> "	2616
In line 16992, after "owner" insert " <u>shall be licensed as a</u>	2617
<u>loan originator under sections 1322.01 to 1322.12 of the Revised</u>	2618
<u>Code and</u> "	2619
In line 16994, strike through "sole proprietor or the"	2620
In line 16997, after "the" insert " <u>residential</u> "	2621
In line 16999, strike through "financial" and insert	2622
" <u>depository</u> "	2623
In line 17001, after "of" insert " <u>residential</u> "	2624
In line 17004, strike through "On or after January 1, 2007,	2625
evidence" and insert " <u>Evidence</u> "; strike through "sole"	2626
In line 17005, strike through "proprietor or the"	2627
In line 17006, strike through "either"	2628
In line 17007, strike through "of"; strike through	2629
"following:"	2630
In line 17008, strike through everything before "instruction"	2631
and insert " <u>pre-licensing</u> "	2632
Strike through lines 17009 through 17041	2633
In line 17042, strike through "superintendent's request" and	2634
insert " <u>requirements set forth in section 1322.031 of the Revised</u>	2635
<u>Code</u> "	2636

In line 17050, strike through everything after "(8)"	2637
Strike through lines 17051 through 17062	2638
In line 17063, strike through "(10)"	2639
In line 17064, strike through "examination" and insert " <u>written test</u> "	2640 2641
In line 17066, strike through "(11)" and insert " <u>(9)</u> "	2642
In line 17068, after the third "the" insert " <u>non-refundable</u> "	2643
In line 17069, after "fee" insert " <u>and any fee required by the nationwide mortgage licensing system and registry</u> "	2644 2645
In line 17070, after "applicant" insert " <u>, and any individual whose identity is required to be disclosed in the application,</u> "	2646 2647
In line 17072, strike through "The" and insert " <u>(a)</u> <u>Notwithstanding division (K) of section 121.08 of the Revised Code, the superintendent shall obtain a criminal history records check and, as part of that records check, request that criminal record information from the federal bureau of investigation be obtained. To fulfill this requirement, the";</u> strike through "request" and insert " <u>do either of the following:</u> "	2648 2649 2650 2651 2652 2653 2654
<u>(i) Request</u> "	2655
In line 17075, after "fingerprints" insert " <u>or, if the fingerprints are unreadable, based on the applicant's social security number,</u> "	2656 2657 2658
In line 17076, strike through "(11)" and insert " <u>(12)";</u> strike through ". Notwithstanding"	2659 2660
Strike through line 17077	2661
In line 17078, strike through "superintendent of financial institutions shall" and insert ";	2662 2663
<u>(ii) Authorize the nationwide mortgage licensing system and</u>	2664

registry to"; strike through "that" 2665

Strike through line 17079 2666

In line 17080, strike through "investigation be obtained as part of the" and insert "a"; strike through "records" and insert "history background" 2667
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In line 17081, strike through "Any" and insert: 2670

"(b) Any" 2671

In line 17082, after "Code" insert "or by the nationwide mortgage licensing system and registry" 2672
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In line 17098, after "a" insert "mortgage broker" 2674

In line 17104, after "A" insert "mortgage broker" 2675

Between lines 17110 and 17111, insert: 2676

"(G) The superintendent may establish relationships or enter into contracts with the nationwide mortgage licensing system and registry, or any entities designated by it, to collect and maintain records and process transaction fees or other fees related to mortgage broker certificates of registration or the persons associated with a mortgage broker." 2677
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In line 17112, strike through "officer" and insert "originator" 2683
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In line 17115, strike through "shall provide all of the" 2685

Strike through lines 17116 through 17127 2686

In line 17128, strike through "January 1, 2007, proof" and insert "any additional fee required by the nationwide mortgage licensing system and registry." 2687
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(B) (1) The application shall provide evidence, acceptable to the superintendent, that the applicant has successfully completed at least twenty-four hours of pre-licensing instruction consisting 2690
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of all of the following:

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(a) Twenty hours of instruction in a course or program of study reviewed and approved by the nationwide mortgage licensing system and registry;

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(b) Four hours of instruction in a course or program of study reviewed and approved by the superintendent concerning state landing laws and the Ohio consumer sales practices act, Chapter 1345. of the Revised Code, as it applies to registrants and licensees.

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(2) Notwithstanding division (B)(1) of this section, until the nationwide mortgage licensing system and registry implements a review and approval program, the application shall provide evidence"

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In line 17130, strike through "live classroom"

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In line 17150, after "a" insert "registrant and a"

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Strike through lines 17153 through 17161

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In line 17162, strike through "(5)" and insert "(3) For purposes of division (B)(1)(a) of this section, the review and approval of a course or program of study includes the review and approval of the provider of the course or program of study.

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(4) If an applicant held a valid loan originator license issued by this state at any time during the immediately preceding five-year period, the applicant shall not be required to complete any additional pre-licensing instruction.

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(C) In addition to the information required under division (B) of this section, the application shall provide both of the following:

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(1) Evidence that the applicant passed a written test that meets the requirements described in division (B) of section

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<u>1322.051 of the Revised Code;</u>	2722
<u>(2)</u> "	2723
In line 17163, strike through "(B)" and insert " <u>(D)</u> "	2724
In line 17164, after "fee" insert " <u>and any fee required by the nationwide mortgage licensing system and registry</u> "	2725 2726
In line 17165, strike through "(B)" and insert " <u>(D)</u> "	2727
In line 17167, strike through "The" and insert " <u>(a)</u>	2728
<u>Notwithstanding division (K) of section 121.08 of the Revised Code, the superintendent shall obtain a criminal history records check and, as part of the records check, request that criminal record information from the federal bureau of investigation be obtained. To fulfill this requirement, the</u> ; strike through "request" and insert " <u>do either of the following:</u>	2729 2730 2731 2732 2733 2734
<u>(i) Request</u> "	2735
In line 17170, after "fingerprints" insert " <u>or, if the fingerprints are unreadable, based on the applicant's social security number,</u> "	2736 2737 2738
In line 17171, strike through "(11)" and insert " <u>(12)</u> "; strike through ". Notwithstanding"	2739 2740
Strike through line 17172	2741
In line 17173, strike through "superintendent of financial institutions shall" and insert " <u>i</u>	2742 2743
<u>(ii) Authorize the nationwide mortgage licensing system and registry to</u> ; strike through "that"	2744 2745
Strike through line 17174	2746
In line 17175, strike through "investigation be obtained as part of the" and insert " <u>a</u> "; strike through "records" and insert " <u>history background</u> "	2747 2748 2749

In line 17176, strike through "Any" and insert:	2750
" <u>(b) Any</u> "	2751
In line 17177, after "Code" insert " <u>or by the nationwide mortgage licensing system and registry</u> "	2752
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In line 17187, strike through "(C)" and insert " <u>(E) (1) In connection with applying for a loan originator license, the applicant shall furnish to the nationwide mortgage licensing system and registry the following information concerning the applicant's identity:</u> "	2754
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<u>(a) The applicant's fingerprints for submission to the federal bureau of investigation, and any other governmental agency or entity authorized to receive such information, for purposes of a state, national, and international criminal history background check;</u>	2759
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<u>(b) Personal history and experience in a form prescribed by the nationwide mortgage licensing system and registry, along with authorization for the superintendent and the nationwide mortgage licensing system and registry to obtain the following:</u>	2764
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<u>(i) An independent credit report from a consumer reporting agency;</u>	2768
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<u>(ii) Information related to any administrative, civil, or criminal findings by any governmental jurisdiction.</u>	2770
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<u>(2) In order to effectuate the purposes of divisions (E) (1) (a) and (E) (1) (b) (ii) of this section, the superintendent may use the conference of state bank supervisors, or a wholly owned subsidiary, as a channeling agent for requesting information from and distributing information to the United States department of justice or any other governmental agency. The superintendent may also use the nationwide mortgage licensing system and registry as a channeling agent for requesting information from and</u>	2772
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<u>distributing information to any source related to matters subject</u>	2780
<u>to those divisions of this section.</u>	2781
<u>(F)</u> "	2782
In line 17193, strike through "(D)" and insert " <u>(G)</u> "; after	2783
"a" insert " <u>loan originator</u> "	2784
In line 17194, strike through "division (A) of"	2785
In line 17199, strike through "(E)" and insert " <u>(H)</u> "; strike	2786
through "officer" and insert " <u>originator</u> "	2787
In line 17200, strike through "employing"; after "broker"	2788
insert " <u>with whom the licensee is employed or associated</u> "	2789
In line 17202, after "original" insert " <u>loan originator</u> "	2790
In line 17203, strike through "employing"	2791
In line 17205, strike through "officer" and insert	2792
" <u>originator</u> "	2793
In line 17207, strike through "officer's" and insert	2794
" <u>originator's</u> "; after "employment" insert " <u>or association</u> "; after	2795
"terminated" insert " <u>for any reason</u> "	2796
In line 17208, after "original" insert " <u>loan originator</u> "	2797
In line 17211, strike through "relocation" and insert	2798
" <u>transfer</u> "	2799
In line 17212, after "fee" insert " <u>and any fee required by</u>	2800
<u>the national mortgage licensing system and registry</u> "	2801
In line 17213, strike through "for a"	2802
In line 17214, strike through "period not to exceed one year"	2803
In line 17215, strike through "officer" and insert	2804
" <u>originator. A licensee whose license is held in escrow shall be</u>	2805
<u>required to apply for renewal annually and to comply with the</u>	2806

annual continuing education requirement 2807

In line 17216, before "A" insert "(3)"; after "employ" insert 2808
"or be associated with"; strike through "officer" and insert 2809
"originator" 2810

In line 17217, strike through "officer's" and insert 2811
"originator's" 2812

In line 17219, strike through "officer" and insert 2813
"originator" 2814

In line 17221, strike through "(F)" and insert "(4)" 2815

Notwithstanding divisions (H) (1) to (3) of this section, if a 2816
licensee is employed by or associated with a person or entity 2817
listed in division (G) (2) of section 1322.01 of the Revised Code, 2818
all of the following apply: 2819

(a) The licensee shall maintain and display the original loan 2820
originator license at the office where the licensee principally 2821
transacts business; 2822

(b) If the loan originator's employment or association is 2823
terminated, the loan originator shall return the original loan 2824
originator license to the superintendent within five business days 2825
after termination. The licensee may request the transfer of the 2826
license to a mortgage broker or another person or entity listed in 2827
division (G) (2) of section 1322.01 of the Revised Code by 2828
submitting a transfer application, along with a fifteen dollar fee 2829
and any fee required by the national mortgage licensing system and 2830
registry, to the superintendent or may request the superintendent 2831
in writing to hold the license in escrow. A licensee whose license 2832
is held in escrow shall cease activity as a loan originator. A 2833
licensee whose license is held in escrow shall be required to 2834
apply for renewal annually and to comply with the annual 2835
continuing education requirement. 2836

(c) The licensee may seek to be employed or associated with a mortgage broker or person or entity listed in division (G)(2) of section 1322.01 of the Revised Code if the mortgage broker or person or entity receives written confirmation from the superintendent that the loan originator is licensed under sections 1322.01 to 1322.12 of the Revised Code.

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(I) The superintendent may establish relationships or enter into contracts with the nationwide mortgage licensing system and registry, or any entities designated by it, to collect and maintain records and process transaction fees or other fees related to loan originator licenses or the persons associated with a licensee.

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(J)"; after "A" insert "loan originator"

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In line 17231, after "fee" insert "and any fee required by the nationwide mortgage licensing system and registry"; strike through "If" and insert:

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"(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 immediately without a hearing.

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(b) If"

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In line 17232, after "funds" insert "after the certificate of registration has been issued"

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Strike through lines 17246 through 17248	2867
Strike through line 17249 and insert " <u>evidence</u> "	2868
In line 17251, strike through "by the county or political subdivision."	2869 2870
Strike through lines 17252 and 17253	2871
In line 17254, strike through "transacted"	2872
In line 17255, strike through "sole proprietor or the"	2873
In line 17257, strike through ", as applicable,"	2874
In line 17261, strike through "licenses" and insert " <u>necessary filings</u> "; strike through "registrations" and insert " <u>approvals</u> "	2875 2876 2877
In line 17266, after "Code" insert " <u>and the rules adopted thereunder</u> "	2878 2879
In line 17267, strike through "shareholder, member,"	2880
In line 17268, strike through everything before "has" and insert " <u>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</u> "	2881 2882 2883 2884 2885 2886
In line 17269, strike through "criminal offense"	2887
Strike through lines 17270 through 17281	2888
In line 17282, strike through everything before the period and insert " <u>of the following:</u> "	2889 2890
(a) <u>During the seven-year period immediately preceding the date of application for the certificate of registration, a felony in a domestic, foreign, or military court;</u>	2891 2892 2893

<u>(b) At any time prior to the date of application for the</u>	2894
<u>certificate of registration, a felony involving an act of fraud,</u>	2895
<u>dishonesty, a breach of trust, theft, or money laundering in a</u>	2896
<u>domestic, foreign, or military court;</u>	2897
<u>(c) During the seven-year period immediately preceding the</u>	2898
<u>date of application for the certificate of registration, a</u>	2899
<u>misdemeanor involving theft in a domestic, foreign, or military</u>	2900
<u>court"</u>	2901
In line 17283, strike through everything after "(8)"	2902
Strike through lines 17284 through 17287	2903
In line 17288, strike through everything before the comma and	2904
insert " <u>Based on the totality of the circumstances and information</u>	2905
<u>submitted in the application"</u>	2906
In line 17290, strike through everything after "the"	2907
In line 17291, strike through everything before "applicant";	2908
strike through "or"	2909
In line 17292, strike through "other person"; strike through	2910
"honest, truthful, and"; strike through "reputation," and insert	2911
" <u>business repute"</u>	2912
Strike through line 17293	2913
In line 17294, strike through everything before the period	2914
and insert " <u>appears qualified to act as a mortgage broker"</u>	2915
In line 17302, after "Code" insert " <u>and the rules adopted</u>	2916
<u>thereunder. The superintendent shall not use a credit score as the</u>	2917
<u>sole basis for registration denial"</u>	2918
In line 17303, before "For" insert " <u>(B)"</u>	2919
In line 17313, after "applicant" insert " <u>and on whether the</u>	2920
<u>person is in a position to direct, control, or adversely influence</u>	2921

<u>the operations of the applicant"</u>	2922
In line 17314, strike through "(B)" and insert " <u>(C)</u> "	2923
In line 17316, strike through "thirtieth" and insert " <u>thirty-first</u> "; strike through "April" and insert " <u>December</u> "	2924 2925
In line 17323, after "fee" insert " <u>and any fee required by the nationwide mortgage licensing system and registry</u> "	2926 2927
In line 17337, strike through "On and after January 1, 2003, the" and insert " <u>The</u> "	2928 2929
In line 17339, strike through everything after "completed"	2930
In line 17340, strike through "year,"; strike through "six" and insert " <u>eight</u> "	2931 2932
In line 17344, after "applicant's" insert " <u>mortgage broker</u> "	2933
In line 17345, strike through "revocation" and insert " <u>an unpaid and past due fine imposed</u> "	2934 2935
In line 17347, strike through "(C)" and insert " <u>(D)</u> " in both places	2936 2937
In line 17348, after "fee" insert " <u>or additional fee required by the nationwide mortgage licensing system and registry</u> "; strike through "thirtieth" and insert " <u>thirty-first</u> "	2938 2939 2940
In line 17349, strike though "April" and insert " <u>December</u> "; after "the" insert " <u>mortgage broker</u> "	2941 2942
In line 17351, strike through everything after "broker"	2943
In line 17352, strike through "mortgage broker"	2944
In line 17353, strike though "(C)" and insert " <u>(D)</u> "	2945
In line 17354, strike though "May" and insert " <u>January</u> "	2946
In line 17355, after "fee" insert " <u>or additional fee</u> "	2947
In line 17357, strike though "(D)" and insert " <u>(E)</u> "	2948

In line 17361, strike through "Designate" and insert "Within 2949
ninety days after the departure of the operations manager, 2950
designate" 2951

In line 17363, strike though "(D)" and insert "(E)" 2952

In line 17367, strike through "experience"; strike though 2953
"division" 2954

In line 17368, strike through "(A) (4) of" 2955

Between lines 17368 and 17369, insert: 2956

"(F) The registrant shall cease operations if it is without 2957
an operations manager approved by the superintendent for more than 2958
one hundred eighty days unless otherwise authorized in writing by 2959
the superintendent due to exigent circumstances. 2960

(G) Mortgage broker certificates of registration issued on or 2961
after May 1, 2009, annually expire on the thirty-first day of 2962
December." 2963

In line 17370, strike through "(B)" and insert "(D)" 2964

In line 17372, strike through "officer" and insert 2965
"originator" 2966

In line 17374, after "fee" insert "and any fee required by 2967
the nationwide mortgage licensing system and registry"; strike 2968
through "If" and insert: 2969

"(a) If a check or other draft instrument is returned to the 2970
superintendent for insufficient funds, the superintendent shall 2971
notify the applicant by certified mail, return receipt requested, 2972
that the application will be withdrawn unless the applicant, 2973
within thirty days after receipt of the notice, submits the 2974
application fee and a one-hundred-dollar penalty to the 2975
superintendent. If the applicant does not submit the application 2976
fee and penalty within that time period, or if any check or other 2977

draft instrument used to pay the fee or penalty is returned to the 2978
superintendent for insufficient funds, the application shall be 2979
withdrawn immediately without a hearing. 2980

(b) If" 2981

In line 17376, after "funds" insert "after the license has 2982
been issued" 2983

In line 17387, strike through "officer" and insert 2984
"originator" 2985

In line 17389, after "Code" insert "and the rules adopted 2986
thereunder" 2987

In line 17390, strike through "The" and insert "(a) During 2988
the seven-year period immediately preceding the date of 2989
application for the license, the" 2990

In line 17391, strike through everything after "to" 2991

Strike through lines 17392 through 17395 2992

In line 17396, strike through "in that division. However, if" 2993
and insert "a felony in a domestic, foreign, or military court." 2994

(b) At any time prior to the date of application for the 2995
license,; after "has" insert "not" 2996

In line 17397, strike through everything after "to" 2997

Strike through lines 17398 through 17402 2998

In line 17403, strike through everything before the period 2999
and insert "a felony involving an act of fraud, dishonesty, a 3000
breach of trust, theft, or money laundering in a domestic, 3001
foreign, or military court." 3002

(c) During the seven-year period immediately preceding the 3003
date of application for the license, the applicant has not been 3004
convicted of or pleaded guilty to a misdemeanor involving theft in 3005

<u>a domestic, foreign, or military court"</u>	3006
In line 17404, strike through everything after "(4)"	3007
Strike through lines 17405 and 17406	3008
In line 17407, strike through everything before the comma and	3009
insert " <u>Based on the totality of the circumstances and information</u>	3010
<u>submitted in the application"</u>	3011
In line 17409, strike through everything after "the"	3012
In line 17410, strike through "since the judgment show that	3013
the"; strike through "honest, truthful,"	3014
In line 17411, strike through the first "and"; strike through	3015
"reputation," and insert " <u>business repute</u> "; strike through "there	3016
is no basis in fact for"	3017
Strike through line 17412	3018
In line 17413, strike through "again" and insert " <u>appears</u>	3019
<u>qualified to act as a loan originator"</u>	3020
In line 17414, strike through "examination" and insert	3021
" <u>written test</u> "	3022
In line 17416, after "and" insert " <u>completed</u> "; strike through	3023
"education requirements" and insert " <u>pre-licensing instruction</u> ";	3024
strike through "(A)(4)" and insert " <u>(B)</u> "	3025
In line 17418, after "applicant's" insert " <u>financial</u>	3026
<u>responsibility,</u> "; after "character" insert an underlined comma	3027
In line 17421, after the period insert " <u>The superintendent</u>	3028
<u>shall not use a credit score as the sole basis for a license</u>	3029
<u>denial.</u>	3030
<u>(7) The applicant is in compliance with the surety bond</u>	3031
<u>requirements of section 1322.05 of the Revised Code."</u>	3032
In line 17423, strike through "thirtieth" and insert	3033

"thirty-first"; strike through "April" and insert "December" 3034

In line 17426, after "dollars" insert "and any fee required
by the nationwide mortgage licensing system and registry" 3035
3036

In line 17438, strike through "officer" and insert 3037
"originator" 3038

In line 17439, strike through "On and after January 1, 2003,
the loan officer" and insert "The applicant" 3039
3040

In line 17440, strike through ", during the immediately 3041
preceding calendar year," 3042

In line 17441, strike through "six" and insert "eight" 3043

In line 17444, strike through "(6)" and insert "(7)" 3044

In line 17446, strike through "revocation" and insert "an
unpaid and past due fine imposed" 3045
3046

In line 17448, after "fee" insert ", including any fee
required by the nationwide mortgage licensing system and
registry." 3047
3048
3049

In line 17449, strike through "thirtieth" and insert 3050
"thirty-first"; strike through "April" and insert "December" 3051

In line 17451, strike through "officer" and insert 3052
"originator" 3053

In line 17453, strike through "May" and insert "January" 3054

In line 17454, strike through "fee" and insert "fees" 3055

Between lines 17455 and 17456, insert: 3056

"(D) Loan originator licenses issued on or after May 1, 2009,
annually expire on the thirty-first day of December." 3057
3058

Between lines 17455 and 17456, insert: 3059

"Sec. 1322.05. (A) (1) No registrant shall conduct business in 3060

this state, unless the registrant has obtained and maintains in effect at all times a corporate surety bond issued by a bonding company or insurance company authorized to do business in this state. The bond shall be in favor of the superintendent of financial institutions and in the penal sum of ~~at least the~~ greater of the following: (a) fifty thousand dollars and an additional penal sum of ten thousand dollars for each location, in excess of one, at which the registrant conducts business or (b) one-half per cent of the aggregate loan amount of residential mortgage loans originated in the immediately preceding calendar year, but not exceeding two hundred fifty thousand dollars. The term of the bond shall coincide with the term of registration. A copy of the bond shall be filed with the superintendent. The bond shall be for the exclusive benefit of any buyer injured by a violation by an employee of the registrant, licensee loan originator employed by or associated with the registrant, or registrant of any provision of sections 1322.01 to 1322.12 of the Revised Code or any rule adopted thereunder. The aggregate liability of the corporate surety for any and all breaches of the conditions of the bond shall not exceed the penal sum of the bond.

(2) No licensee who is employed by or associated with a person or entity listed in division (G)(2) of section 1322.01 of the Revised Code shall conduct business in this state, unless the licensee has obtained and maintains in effect at all times a corporate surety bond issued by a bonding company or insurance company authorized to do business in this state. The bond shall be in favor of the superintendent of financial institutions and in the penal sum of the greater of the following: (a) fifty thousand dollars or (b) one-half per cent of the aggregate loan amount of residential mortgage loans originated in the immediately preceding calendar year, but not exceeding two hundred fifty thousand dollars. The term of the bond shall coincide with the term of

licensure. A copy of the bond shall be filed with the 3093
superintendent. The bond shall be for the exclusive benefit of any 3094
buyer injured by a violation by the licensee of any provision of 3095
sections 1322.01 to 1322.12 of the Revised Code or any rule 3096
adopted thereunder. The aggregate liability of the corporate 3097
surety for any and all breaches of the conditions of the bond 3098
shall not exceed the penal sum of the bond. 3099

(B) (1) (a) The registrant shall give notice to the 3100
superintendent by certified mail of any action that is brought by 3101
a buyer against the registrant ~~or, loan officer of the registrant~~ 3102
originator, or employee alleging injury by a violation of any 3103
provision of sections 1322.01 to 1322.12 of the Revised Code or 3104
any rule adopted thereunder, and of any judgment that is entered 3105
against the registrant ~~or, loan officer of the registrant~~ 3106
originator, or employee by a buyer injured by a violation of any 3107
provision of sections 1322.01 to 1322.12 of the Revised Code or 3108
any rule adopted thereunder. The notice shall provide details 3109
sufficient to identify the action or judgment, and shall be filed 3110
with the superintendent within ten days after the commencement of 3111
the action or notice to the registrant of entry of a judgment. 3112

(b) The licensee shall give notice to the superintendent by 3113
certified mail of any action that is brought by a buyer against 3114
the licensee alleging injury by a violation of any provision of 3115
sections 1322.01 to 1322.12 of the Revised Code or any rule 3116
adopted thereunder, and of any judgment that is entered against 3117
the licensee by a buyer injured by a violation of any provision of 3118
sections 1322.01 to 1322.12 of the Revised Code or any rule 3119
adopted thereunder. The notice shall provide details sufficient to 3120
identify the action or judgment, and shall be filed with the 3121
superintendent within ten days after the commencement of the 3122
action or notice to the licensee of entry of a judgment. A person 3123

or entity listed in division (G) (2) of section 1322.01 of the 3124
Revised Code that secures bonding for the licensees employed by or 3125
associated with the person or entity shall report such actions or 3126
judgments in the same manner as is required of registrants. 3127

(2) A corporate surety, within ten days after it pays any 3128
claim or judgment, shall give notice to the superintendent by 3129
certified mail of the payment, with details sufficient to identify 3130
the person and the claim or judgment paid. 3131

(C) Whenever the penal sum of the corporate surety bond is 3132
reduced by one or more recoveries or payments, the registrant or 3133
licensee shall furnish a new or additional bond under this 3134
section, so that the total or aggregate penal sum of the bond or 3135
bonds equals the sum required by this section, or shall furnish an 3136
endorsement executed by the corporate surety reinstating the bond 3137
to the required penal sum of it. 3138

(D) The liability of the corporate surety on the bond to the 3139
superintendent and to any buyer injured by a violation of any 3140
provision of sections 1322.01 to 1322.12 of the Revised Code or 3141
any rule adopted thereunder shall not be affected in any way by 3142
any misrepresentation, breach of warranty, or failure to pay the 3143
premium, by any act or omission upon the part of the registrant or 3144
licensee, by the insolvency or bankruptcy of the registrant or 3145
licensee, or by the insolvency of the registrant's or licensee's 3146
estate. The liability for any act or omission that occurs during 3147
the term of the corporate surety bond shall be maintained and in 3148
effect for at least two years after the date on which the 3149
corporate surety bond is terminated or canceled. 3150

(E) The corporate surety bond shall not be canceled by the 3151
registrant, the licensee, or the corporate surety except upon 3152
notice to the superintendent by certified mail, return receipt 3153
requested. The cancellation shall not be effective prior to thirty 3154

days after the superintendent receives the notice. 3155

(F) No registrant or licensee employed by or associated with 3156
a person or entity listed in division (G)(2) of section 1322.01 of 3157
the Revised Code shall fail to comply with this section. Any 3158
 registrant or licensee that fails to comply with this section 3159
 shall cease all mortgage broker or loan originator activity in 3160
 this state until the registrant or licensee complies with this 3161
 section. 3162

Sec. 1322.051. (A) Each person designated under division 3163
 (A) (3) of section 1322.03 of the Revised Code to act as operations 3164
 manager for a mortgage broker business shall submit to an 3165
~~examination~~ a written test approved by the superintendent of 3166
 financial institutions. An individual shall not be considered to 3167
have passed the written test unless the individual achieves a test 3168
score of at least seventy-five per cent correct answers to all 3169
questions. 3170

(B) Each applicant for a loan ~~officer~~ originator license 3171
 shall submit to ~~an examination approved by the superintendent~~ a 3172
written test that is developed and approved by the nationwide 3173
mortgage licensing system and registry and administered by a test 3174
provider approved by the nationwide mortgage licensing system and 3175
registry based on reasonable standards. 3176

(1) The test shall adequately measure the applicant's 3177
knowledge and comprehension in appropriate subject areas, 3178
including ethics, federal and state law related to mortgage 3179
origination, fraud, consumer protection, and the nontraditional 3180
mortgage marketplace, and fair lending issues. 3181

(2) An individual shall not be considered to have passed the 3182
written test unless the individual achieves a test score of at 3183
least seventy-five per cent correct answers on all questions and 3184

at least seventy-five per cent correct answers on all questions 3185
relating to state mortgage lending laws and the Ohio consumer 3186
sales practices act, Chapter 1345. of the Revised Code, as it 3187
applies to registrants and licensees. 3188

(3) An individual may retake the test three consecutive times 3189
provided the period between taking the tests is at least thirty 3190
days. If an individual fails three consecutive tests, the 3191
individual shall be required to wait at least six months before 3192
taking the test again. 3193

(4) If a loan originator fails to maintain a valid loan 3194
originator license for a period of five years or longer, the 3195
individual shall be required to retake the test. 3196

(C) Notwithstanding division (B) of this section, until the 3197
nationwide mortgage licensing system and registry implements a 3198
testing process that meets the criteria set forth in that 3199
division, the superintendent shall require each applicant to pass 3200
a written test acceptable to the superintendent. 3201

Sec. 1322.052. ~~On and after January 1, 2002, each~~ (A) Each 3202
licensee and each person designated under division (A) (3) of 3203
section 1322.03 of the Revised Code to act as operations manager 3204
for a mortgage broker business shall complete at least ~~six~~ eight 3205
hours of continuing education every calendar year. To fulfill this 3206
requirement, the ~~six~~ eight hours of continuing education must be 3207
offered in a course or program of study reviewed and approved by 3208
the ~~superintendent of financial institutions~~ nationwide mortgage 3209
licensing system and registry. The course or program of study 3210
shall include all of the following: 3211

(1) Three hours of applicable federal law and regulations; 3212

(2) Two hours of ethics, which shall include instruction on 3213
fraud, consumer protection, and fair lending issues; 3214

<u>(3) Two hours of training related to lending standards for the nontraditional mortgage product marketplace.</u>	3215
	3216
<u>(B) Continuing education courses shall be reviewed and approved by the nationwide mortgage licensing system and registry based upon reasonable standards.</u>	3217
	3218
	3219
<u>(C) The following conditions apply to the continuing education required by this section:</u>	3220
	3221
<u>(1) An individual cannot take the same approved course in the same or successive years to meet the annual requirement for continuing education.</u>	3222
	3223
	3224
<u>(2) An individual can only receive credit for a continuing education course in the year in which the course is taken, unless the individual is making up a deficiency in continuing education pursuant to a rule or order of the superintendent of financial institutions.</u>	3225
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	3228
	3229
<u>(3) A licensee who subsequently becomes unlicensed must complete the continuing education requirement for the last year in which the license was held prior to the issuance of a new or renewed license.</u>	3230
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	3232
	3233
<u>(4) An individual who is approved as an instructor of a continuing education course receives credit for the individual's own annual continuing education requirement at the rate of two credit hours for every one hour taught.</u>	3234
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	3237
<u>(5) If an individual successfully completed a continuing education course reviewed and approved by the nationwide mortgage licensing system and registry as required by another state, the individual can receive credit toward completion of the continuing education requirement of this state.</u>	3238
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	3242
<u>(D) Notwithstanding division (A) of this section, until the nationwide mortgage licensing system and registry implements a</u>	3243
	3244

review and approval process, each licensee or person designated 3245
under division (A) (3) of section 1322.03 of the Revised Code shall 3246
provide evidence that the licensee or person has successfully 3247
completed at least eight hours of continuing education in a course 3248
or program of study approved by the superintendent of financial 3249
institutions. 3250

Sec. 1322.06. (A) As often as the superintendent of financial 3251
institutions considers it necessary, the superintendent may 3252
examine the registrant's or licensee's records, including all 3253
records created or processed by a licensee, pertaining to business 3254
transacted pursuant to sections 1322.01 to 1322.12 of the Revised 3255
Code. 3256

(B) A registrant or licensee shall maintain records 3257
pertaining to business transacted pursuant to sections 1322.01 to 3258
1322.12 of the Revised Code, including copies of all mortgage loan 3259
origination disclosure statements prepared in accordance with 3260
section 1322.062 of the Revised Code, for four years. No For 3261
purposes of this division, "registrant or licensee" includes any 3262
person whose certificate of registration or license is cancelled, 3263
surrendered, or revoked or who otherwise ceases to engage in 3264
business as a mortgage broker or loan originator. 3265

No registrant shall fail to comply with this division. 3266

(C) Each registrant and licensee shall submit to the 3267
nationwide mortgage licensing system and registry call reports or 3268
other reports of condition, which reports shall be in such form 3269
and shall contain such information as the nationwide mortgage 3270
licensing system and registry may require. 3271

(D) (1) As required by the superintendent, each registrant 3272
shall file with the division of financial institutions an annual 3273
report under oath or affirmation, on forms supplied by the 3274

division, concerning the business and operations of the registrant 3275
for the preceding calendar year. If a registrant operates two or 3276
more registered offices or two or more affiliated registrants 3277
operate registered offices, a composite report of the group of 3278
registered offices may be filed in lieu of individual reports. 3279

(2) The division shall publish annually an analysis of the 3280
information required under division (D)(1) of this section, but 3281
the individual reports shall not be public records and shall not 3282
be open to public inspection or otherwise be subject to section 3283
149.43 of the Revised Code. 3284

Sec. 1322.061. (A)(1) The following information is 3285
confidential: 3286

(a) Examination information, and any information leading to 3287
or arising from an examination; 3288

(b) Investigation information, and any information arising 3289
from or leading to an investigation. 3290

(2) The information described in division (A)(1) of this 3291
section shall remain confidential for all purposes except when it 3292
is necessary for the superintendent of financial institutions to 3293
take official action regarding the affairs of a registrant or 3294
licensee, or in connection with criminal or civil proceedings to 3295
be initiated by a prosecuting attorney or the attorney general. 3296
This information may also be introduced into evidence or disclosed 3297
when and in the manner authorized by section 1181.25 of the 3298
Revised Code. 3299

(B) All application information, except social security 3300
numbers, employer identification numbers, financial account 3301
numbers, the identity of the institution where financial accounts 3302
are maintained, personal financial information, fingerprint cards 3303
and the information contained on such cards, and criminal 3304

background information, is a public record as defined in section 3305
149.43 of the Revised Code. 3306

(C) This section does not prevent the division of financial 3307
institutions from releasing to or exchanging with other financial 3308
institution regulatory authorities information relating to 3309
registrants and licensees. For this purpose, a "financial 3310
institution regulatory authority" includes a regulator of a 3311
business activity in which a registrant or licensee is engaged, or 3312
has applied to engage in, to the extent that the regulator has 3313
jurisdiction over a registrant or licensee engaged in that 3314
business activity. A registrant or licensee is engaged in a 3315
business activity, and a regulator of that business activity has 3316
jurisdiction over the registrant or licensee, whether the 3317
registrant or licensee conducts the activity directly or a 3318
subsidiary or affiliate of the registrant or licensee conducts the 3319
activity. 3320

(D) The superintendent shall, on a regular basis, report 3321
violations of sections 1322.01 to 1322.12 of the Revised Code, as 3322
well as enforcement actions and other relevant information, to the 3323
nationwide mortgage licensing system and registry. 3324

(E) (1) Any confidentiality or privilege arising under federal 3325
or state law with respect to any information or material provided 3326
to the nationwide mortgage licensing system and registry shall 3327
continue to apply to the information or material after the 3328
information or material is provided to the nationwide mortgage 3329
licensing system and registry. The information and material so 3330
provided may be released to any state or federal regulatory 3331
official with mortgage industry oversight authority without the 3332
loss of confidentiality or privilege protections provided by 3333
federal law or the law of any state. Information or material 3334
described in division (E) (1) of this section to which 3335

confidentiality or privilege applies shall not be subject to any 3336
of the following: 3337

(a) Disclosure under any federal or state law governing 3338
disclosure to the public of information held by an officer or an 3339
agency of the federal government or of the respective state; 3340

(b) Subpoena or discovery, or admission into evidence, in any 3341
private civil action or administrative process, unless the person 3342
to whom such information or material pertains waives, in whole or 3343
in part and at the discretion of the person, any privilege held by 3344
the nationwide mortgage licensing system and registry with respect 3345
to that information or material. 3346

(2) The superintendent, in order to promote more effective 3347
regulation and reduce regulatory burden through supervisory 3348
information sharing, may enter into sharing arrangements with 3349
other governmental agencies, the conference of state bank 3350
supervisors, and the American association of residential mortgage 3351
regulators. 3352

(3) Any state law, including the public records law, relating 3353
to the disclosure of confidential supervisory information or any 3354
information or material described in division (E)(1) of this 3355
section that is inconsistent with that division shall be 3356
superseded by the requirements of that division. 3357

(F) This section shall not apply with respect to information 3358
or material relating to the employment history of, and publicly 3359
adjudicated disciplinary and enforcement actions against, loan 3360
originators that is included in the nationwide mortgage licensing 3361
system and registry for access by the public. 3362

(G) This section does not prevent the division from releasing 3363
information relating to registrants and licensees to the attorney 3364
general, to the superintendent of real estate and professional 3365

licensing for purposes relating to the administration of Chapters 3366
 4735. and 4763. of the Revised Code, to the superintendent of 3367
 insurance for purposes relating to the administration of Chapter 3368
 3953. of the Revised Code, to the commissioner of securities for 3369
purposes relating to the administration of Chapter 1707. of the 3370
Revised Code, or to local law enforcement agencies and local 3371
 prosecutors. Information the division releases pursuant to this 3372
 section remains confidential. 3373

(H) The superintendent of financial institutions shall, by 3374
rule adopted in accordance with Chapter 119. of the Revised Code, 3375
establish a process by which loan originators may challenge any 3376
information provided to the nationwide mortgage licensing system 3377
and registry by the superintendent. 3378

Sec. 1322.062. (A) (1) Within three business days after taking 3379
 an application for a residential mortgage loan from a buyer, a 3380
 registrant or licensee shall deliver to the buyer a residential 3381
 mortgage loan origination disclosure statement that contains all 3382
 of the following: 3383

(a) The name, address, and telephone number of the buyer; 3384

(b) The typewritten name of the loan ~~officer~~ originator and 3385
 the number designated on the loan ~~officer's~~ originator's license; 3386

(c) The street address, telephone number, and facsimile 3387
 number of the registrant and the number designated on the 3388
 registrant's certificate of registration; 3389

(d) The signature of the loan ~~officer~~ originator or 3390
 registrant; 3391

(e) A statement indicating whether the buyer is to pay for 3392
 the services of a bona fide third party if the registrant is 3393
 unable to assist the buyer in obtaining a mortgage; 3394

- (f) A statement that describes the method by which the fee to be paid by the buyer to the registrant will be calculated and a good faith estimate of the total amount of that fee; 3395
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- (g) A statement that the lender may pay compensation to the registrant; 3398
3399
- (h) A description of all the services the registrant has agreed to perform for the buyer; 3400
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- (i) A statement that the buyer has not entered into an exclusive agreement for brokerage services; 3402
3403
- (j) If the residential mortgage loan applied for will exceed ninety per cent of the value of the real property, a statement, printed in boldface type of the minimum size of sixteen points, as follows: "You are applying for a loan that is more than 90% of your home's value. It will be hard for you to refinance this loan. If you sell your home, you might owe more money on the loan than you get from the sale." 3404
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- (k) To acknowledge receipt, the signature of the buyer. 3411
- (2) If the loan is a covered loan as defined in section 1349.25 of the Revised Code, the registrant shall also deliver a copy of the residential mortgage loan origination disclosure statement to the lender. 3412
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- (B) If there is any change in the information provided under division (A)(1) of this section, the registrant or licensee shall provide the buyer with the revised residential mortgage loan origination disclosure statement and a written explanation of why the change occurred no later than twenty-four hours after the change occurs, or twenty-four hours before the loan is closed, whichever is earlier. 3416
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- (C) A registrant or licensee shall deliver to the buyer, immediately upon receipt, a copy of any nonproprietary or publicly 3423
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available credit score and report obtained regarding the buyer by 3425
 the registrant or licensee for the purpose of the residential 3426
 mortgage loan application; 3427

If the loan ~~officer~~ originator or registrant uses an 3428
 automated valuation model to determine an appraisal report, the 3429
 registrant or licensee also shall include a copy of the automated 3430
 valuation model report. 3431

(D) A registrant or licensee shall deliver to the buyer, at 3432
 the same time that the registrant or licensee delivers the 3433
residential mortgage loan origination disclosure statement 3434
 pursuant to division (A) of this section, a good faith estimate 3435
 statement that discloses the amount of or range of charges for the 3436
 specific settlement services the buyer is likely to incur in 3437
 connection with the residential mortgage loan. The good faith 3438
 estimate statement shall meet the requirements of the "Real Estate 3439
 Settlement Procedures Act," 88 Stat. 1724 (1974)-, 12 U.S.C.A. 3440
 2601 et seq., and shall include the following underlined notice in 3441
 at least ten-point type, new roman style: 3442

"Nature of Relationship: In connection with this residential 3443
 mortgage loan, you, the borrower(s), has/have requested assistance 3444
 from (company name) in arranging credit. We do not 3445
 distribute all products in the marketplace and cannot guarantee 3446
 the lowest rate. 3447

Termination: This agreement will continue until one of the 3448
 following events occur: 3449

1. The loan closes. 3450
2. The request is denied. 3451
3. The borrower withdraws the request. 3452
4. The borrower decides to use another source for 3453
 origination. 3454

5. The borrower is provided a revised good faith estimate statement. 3455
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Notice to borrower(s): Signing this document does not obligate you to obtain a residential mortgage loan through this mortgage originator nor is this a loan commitment or an approval; nor is your interest rate locked at this time unless otherwise disclosed on a separate Rate Lock Disclosure Form. Do not sign this document until you have read and understood the information in it. You will receive a ~~re-disclosure~~ redisclosure of any increase in interest rate or if the total sum of disclosed settlement/closing costs increases by 10% or more of the original estimate. Should any such increase occur, mandatory ~~re-disclosure~~ redisclosure must occur prior to the settlement or close of escrow." 3457
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(E) No registrant or licensee shall fail to comply with this section. 3469
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Sec. 1322.063. (A) In addition to the disclosures required under section 1322.062 of the Revised Code, a registrant or licensee shall, not earlier than three business days nor later than twenty-four hours before a loan is closed, deliver to the buyer a written disclosure that includes the following: 3471
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(1) A statement indicating whether property taxes will be escrowed; 3476
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(2) A description of what is covered by the regular monthly payment, including principal, interest, taxes, and insurance, as applicable. 3478
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(B) No registrant or licensee shall fail to comply with this section. 3481
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Sec. 1322.064. (A) No registrant or licensee shall fail to do 3483

either of the following:	3484
(1) Timely inform the buyer of any material change in the terms of the <u>residential mortgage</u> loan. For purposes of division (A) (1) of this section, "material change" means the following:	3485 3486 3487
(a) A change in the type of <u>residential mortgage</u> loan being offered, such as a fixed or variable rate loan or a loan with a balloon payment;	3488 3489 3490
(b) A change in the term of the <u>residential mortgage</u> loan, as reflected in the number of monthly payments due before a final payment is scheduled to be made;	3491 3492 3493
(c) A change in the interest rate of more than 0.15%;	3494
(d) A change in the regular <u>total</u> monthly payment of , <u>including principal and, interest, any required mortgage insurance, and any escrowed taxes or property insurance,</u> of more than five per cent;	3495 3496 3497 3498
(e) A change regarding <u>whether</u> the escrow of taxes or insurance <u>is required</u> ;	3499 3500
(f) A change regarding the payment of <u>whether</u> private mortgage insurance <u>is required</u> .	3501 3502
(2) Timely inform the buyer if any fees payable by the buyer to the <u>licensee</u> , registrant, or lender increase by more than ten per cent or one hundred dollars, whichever is greater.	3503 3504 3505
(B) The disclosures required by this section shall be deemed timely if the registrant <u>or licensee</u> provides the buyer with the revised information not later than twenty-four hours after the change occurs, or twenty-four hours before the loan is closed, whichever is earlier.	3506 3507 3508 3509 3510
(C) If an increase in the total amount of the fee to be paid by the buyer to the registrant <u>or licensee</u> is not disclosed in	3511 3512

accordance with division (A)(2) of this section, the registrant or 3513
licensee shall refund to the buyer the amount by which the fee was 3514
increased. If the fee is financed into the loan, the registrant or 3515
licensee shall also refund to the buyer the interest that would 3516
accrue over the term of the loan on that excess amount. 3517

Sec. 1322.065. A person registered as a mortgage broker 3518
solely to sell leads of potential buyers to residential mortgage 3519
lenders or mortgage brokers, or solely to match buyers with 3520
residential mortgage lenders or mortgage brokers through a 3521
computerized loan origination system recognized by the United 3522
States department of housing and urban development, shall be 3523
required to make only those disclosures under sections 1322.01 to 3524
1322.12 of the Revised Code that apply to the portion of the 3525
transaction during which they have direct buyer contact, and shall 3526
be subject to all fair conduct and prohibition requirements in 3527
their dealing with buyers. 3528

Sec. 1322.07. No ~~mortgage broker~~, registrant, licensee, or 3529
applicant for a certificate of registration person required to be 3530
registered or license licensed under sections 1322.01 to 1322.12 3531
of the Revised Code, or individual disclosed in an application as 3532
required by division (A)(2) of section 1322.03 of the Revised Code 3533
shall do any of the following: 3534

(A) Obtain a mortgage broker certificate of registration or 3535
loan originator license through any false or fraudulent 3536
representation of a material fact or any omission of a material 3537
fact required by state law, or make any substantial 3538
misrepresentation in any registration or license application; 3539

(B) Make false or misleading statements of a material fact, 3540
omissions of statements required by state or federal law, or false 3541
promises regarding a material fact, through advertising or other 3542

means, or engage in a continued course of misrepresentations; 3543

(C) Engage in conduct that constitutes improper, fraudulent, 3544
or dishonest dealings; 3545

(D) Fail to notify the division of financial institutions 3546
within thirty days after ~~the registrant, licensee, or applicant,~~ 3547
~~in a court of competent jurisdiction of this state or any other~~ 3548
~~state, is any of the following:~~ 3549

(1) Being convicted of or pleading guilty to a felony in a 3550
domestic, foreign, or military court; 3551

(2) Being convicted of or pleads pleading guilty to any 3552
criminal offense involving theft, receiving stolen property, 3553
embezzlement, forgery, fraud, passing bad checks, money 3554
laundering, breach of trust, dishonesty, or drug trafficking, or 3555
any criminal offense involving money or securities; 3556

(3) Having a mortgage broker certificate of registration or 3557
loan originator license, or any comparable authority, revoked in 3558
any governmental jurisdiction. 3559

(E) Knowingly make, propose, or solicit fraudulent, false, or 3560
misleading statements on any mortgage loan document or on any 3561
document related to a mortgage loan, including a mortgage 3562
application, real estate appraisal, or real estate settlement or 3563
closing document. For purposes of this division, "fraudulent, 3564
false, or misleading statements" does not include mathematical 3565
errors, inadvertent transposition of numbers, typographical 3566
errors, or any other bona fide error. 3567

(F) Knowingly instruct, solicit, propose, or otherwise cause 3568
a buyer to sign in blank a mortgage related document; 3569

(G) Knowingly compensate, instruct, induce, coerce, or 3570
intimidate, or attempt to compensate, instruct, induce, coerce, or 3571
intimidate, a person licensed or certified under Chapter 4763. of 3572

the Revised Code for the purpose of corrupting or improperly
influencing the independent judgment of the person with respect to
the value of the dwelling offered as security for repayment of a
mortgage loan; 3573
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(H) Promise to refinance a loan in the future at a lower 3577
interest rate or with more favorable terms, unless the promise is 3578
set forth in writing and is initialed by the buyer. 3579

Sec. 1322.071. (A) As used in this section, "bona fide third 3580
party" has the same meaning as in section 1322.08 of the Revised 3581
Code. 3582

(B) No mortgage broker, registrant, loan originator, or 3583
licensee shall do any of the following: 3584

(1) Retain original documents provided to the mortgage 3585
broker, registrant, loan originator, or licensee by the buyer in 3586
connection with the residential mortgage loan application, 3587
including income tax returns, account statements, or other 3588
financial related documents; 3589

(2) Receive, directly or indirectly, a premium on the fees 3590
charged for services performed by a bona fide third party; 3591

(3) Pay or receive, directly or indirectly, a referral fee or 3592
kickback of any kind to or from a bona fide third party or other 3593
party with a related interest in the transaction, ~~such as~~ 3594
including a home improvement builder, real estate developer, or 3595
real estate broker or agent, for the referral of business. 3596

(C) (1) No registrant, through its operations manager or 3597
otherwise, shall fail to reasonably supervise a loan originator or 3598
other persons employed by or associated with the registrant. 3599

(2) No registrant shall fail to establish reasonable 3600
procedures designed to avoid violations of sections 1322.01 to 3601

1322.12 of the Revised Code or rules adopted thereunder, or 3602
violations of applicable state and federal consumer and lending 3603
laws or rules, by loan originators or other persons employed by or 3604
associated with the registrant. 3605

Sec. 1322.072. No person, in connection with any examination 3606
or investigation conducted by the superintendent of financial 3607
institutions under sections 1322.01 to 1322.12 of the Revised 3608
Code, shall knowingly do either any of the following: 3609

(A) Circumvent, interfere with, obstruct, or fail to 3610
cooperate, including making a false or misleading statement, 3611
failing to produce records, or intimidating or suborning any 3612
witness; 3613

(B) Tamper with, alter, or manufacture any evidence; 3614

(C) Withhold, abstract, remove, mutilate, destroy, or secrete 3615
any books, records, computer records, or other information. 3616

Sec. 1322.074. (A) ~~As used in this section and section~~ 3617
~~1322.075 of the Revised Code.~~ 3618

~~(1) "Appraisal company" means a sole proprietorship,~~ 3619
~~partnership, corporation, limited liability company, or any other~~ 3620
~~business entity or association, that employs or retains the~~ 3621
~~services of a person licensed or certified under Chapter 4763. of~~ 3622
~~the Revised Code for purposes of performing residential real~~ 3623
~~estate appraisals for mortgage loans.~~ 3624

~~(2) "Immediate family" means a spouse residing in the~~ 3625
~~person's household and any dependent child.~~ 3626

~~(B)~~ Except as otherwise provided in division ~~(C)~~(B) of this 3627
section, no registrant, or any member of the ~~registrant's~~ 3628
immediate family of an owner of a registrant, shall own or control 3629

a majority interest in an appraisal company. 3630

~~(C)~~(B) Division ~~(B)~~(A) of this section shall not apply to any 3631
 registrant, or any member of the ~~registrant's~~ immediate family of 3632
an owner of a registrant, who, on the effective date of this 3633
~~section~~ amendment, owns or controls a majority interest in an 3634
 appraisal company. However, such ownership or control is subject 3635
 to the following conditions: 3636

(1) The registrant and members of the ~~registrant's~~ immediate 3637
 family of an owner of a registrant shall not increase their 3638
 interest in the company. 3639

(2) The interest is not transferable to a member of the 3640
~~registrant's~~ immediate family of an owner of a registrant. 3641

(3) If the registrant is convicted of or pleads guilty to a 3642
 criminal violation of sections 1322.01 to 1322.12 of the Revised 3643
 Code or any criminal offense described in division (A) (1) (b) of 3644
 section 1322.10 of the Revised Code, the superintendent of 3645
 financial institutions may, ~~as an alternative~~ in addition to any 3646
 of the actions authorized under section 1322.10 of the Revised 3647
 Code, order the registrant or members of the ~~registrant's~~ 3648
 immediate family of an owner of a registrant to divest their 3649
 interest in the company. 3650

Sec. 1322.075. (A) No registrant or licensee or person 3651
 required to be registered or licensed under ~~this chapter~~ sections 3652
1322.01 to 1322.12 of the Revised Code shall refer a buyer to any 3653
 settlement service provider, including any title insurance 3654
 company, without providing the buyer with written notice 3655
 disclosing all of the following: 3656

(1) Any business relationship that exists between the 3657
 registrant, licensee, or person required to be registered or 3658
 licensed under ~~this chapter~~ sections 1322.01 to 1322.12 of the 3659

Revised Code, and the provider to which the buyer is being referred, and any financial benefit that the registrant, licensee, or person may be provided because of the relationship;

(2) The percentage of ownership interest the registrant, licensee, or person required to be registered or licensed under ~~this chapter~~ sections 1322.01 to 1322.12 of the Revised Code has in the provider to which the buyer is being referred;

(3) The estimated charge or range of charges for the settlement service listed;

(4) The following statement, printed in boldface type of the minimum size of sixteen points: "There are frequently other settlement service providers available with similar services. You are free to shop around to determine that you are receiving the best services and the best rate for these services."

(B) No registrant or licensee shall refer a buyer to an appraisal company, if the registrant or licensee, a member of the immediate family of an owner of the registrant, or a member of the ~~registrant's or licensee's~~ immediate family, has either of the following financial relationships with the appraisal company:

(1) An ownership or investment interest in the company, whether through debt, equity, or other means;

(2) Any compensation arrangement involving any remuneration, directly or indirectly, overtly or covertly, in cash or in kind.

(C) No registrant or licensee shall knowingly enter into an arrangement or scheme, including a cross-referral arrangement, that has a principal purpose of assuring referrals by a registrant or licensee to a particular appraisal company that would violate division (B) of this section.

(D) The registrant, licensee, or person required to be registered or licensed under ~~this chapter~~ sections 1322.01 to

1322.12 of the Revised Code shall retain proof that the buyer 3690
 received the written disclosures required by division (A) of this 3691
 section for four years. 3692

Sec. 1322.08. (A) No registrant shall fail to do any of the 3693
 following: 3694

(1) Maintain a special account; 3695

(2) Deposit into the registrant's special account any bona 3696
 fide third-party fee the registrant receives; 3697

(3) Pay bona fide third-party fees to a bona fide third party 3698
 from the registrant's special account. 3699

(B) Except as otherwise provided in ~~this division~~ sections 3700
1322.01 to 1322.12 of the Revised Code, no registrant shall charge 3701
 or receive, directly or indirectly, fees for assisting a buyer in 3702
 obtaining a residential mortgage loan, until all of the services 3703
 that the registrant has agreed to perform for the buyer are 3704
 completed, and the proceeds of the residential mortgage loan have 3705
 been disbursed to or on behalf of the buyer. However, prior to 3706
 completion of such services the following fees may be paid for 3707
 services performed by a bona fide third party in assisting the 3708
 buyer to obtain a residential mortgage loan if the fees are either 3709
 paid directly by the buyer to the bona fide third party or, except 3710
 as provided in division (B) (5) of this section, the fees are 3711
 deposited by the registrant into the registrant's special account 3712
 for services performed by the bona fide third party: 3713

(1) Fees to obtain a report from a credit reporting agency; 3714

(2) Fees for notary services; 3715

(3) Fees for the performance of a title search, appraisal of 3716
 the real estate, or survey of the real estate; 3717

(4) Fees charged by a lender for locking in an interest rate 3718

in connection with obtaining or refinancing a residential mortgage 3719
loan, provided that the fees do not exceed an amount equal to one 3720
and one-half per cent of the mortgage loan amount; 3721

(5) Fees not exceeding five hundred dollars paid directly by 3722
the buyer to a state or federal government agency or 3723
instrumentality for purposes of processing a mortgage application 3724
relating to a government sponsored or guaranteed mortgage program. 3725

(C) If fees are paid by a buyer for the performance of any of 3726
the services described in division (B) (3) of this section and the 3727
registrant is unable to assist in obtaining a mortgage for the 3728
buyer, the registrant shall return to the buyer the original 3729
documents prepared by the bona fide third party at the time that 3730
the request for the mortgage is refused or denied. With respect to 3731
any appraisal, however, the registrant may return either the 3732
original or a copy. No registrant shall fail to comply with this 3733
division. 3734

(D) For purposes of this section: 3735

(1) "Bona fide third party" means a person that is not an 3736
employee of, related to, or affiliated with, the registrant, and 3737
that is not used for the purpose of circumvention or evasion of 3738
this section. 3739

(2) "Special account" means a an insured depository account 3740
with a financial depository institution, ~~the deposits of which are~~ 3741
~~insured by the federal deposit insurance corporation,~~ that is 3742
separate and distinct from any personal or other account of the 3743
registrant, and that is maintained solely for the holding and 3744
payment of fees described in this section for services performed 3745
by bona fide third parties and received by the registrant from 3746
buyers that the registrant assists in obtaining mortgages. 3747

Sec. 1322.081. (A) A registrant, licensee, and any person 3748

required to be registered or licensed under ~~this chapter~~ sections 3749
1322.01 to 1322.12 of the Revised Code, in addition to duties 3750
imposed by other statutes or common law, shall do all of the 3751
following: 3752

(1) Safeguard and account for any money handled for the 3753
~~borrower~~ buyer; 3754

(2) Follow reasonable and lawful instructions from the 3755
~~borrower~~ buyer; 3756

(3) Act with reasonable skill, care, and diligence; 3757

(4) Act in good faith and with fair dealing in any 3758
transaction, practice, or course of business in connection with 3759
the brokering or originating of any residential mortgage loan; 3760

(5) Make reasonable efforts to secure a residential mortgage 3761
loan, from lenders with whom the registrant, licensee, or person 3762
regularly does business, with rates, charges, and repayment terms 3763
that are advantageous to the ~~borrower~~ buyer. 3764

(B) Division (A) of this section shall not apply to wholesale 3765
lenders. However, wholesale lenders are subject to all other 3766
requirements applicable to mortgage brokers and nonbank mortgage 3767
lenders. For purposes of this division, "wholesale lender" means a 3768
company that has been issued a mortgage broker certificate of 3769
registration and that enters into transactions with buyers 3770
exclusively through unaffiliated third-party mortgage brokers. 3771

(C) The duties and standards of care created in this section 3772
cannot be waived or modified. 3773

(D) (1) A buyer injured by a violation of this section may 3774
bring an action for recovery of damages. 3775

(2) Damages awarded under division (D) (1) of this section 3776
shall not be less than all compensation paid directly or 3777

indirectly to a mortgage broker from any source, plus reasonable attorney's fees and court costs. 3778
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(3) The buyer may be awarded punitive damages. 3780

(E) A buyer injured by a violation of this section is precluded from recovering any damages, plus reasonable attorney's fees and costs, if the buyer has also recovered any damages in a cause of action initiated under section 1322.11 of the Revised Code and the recovery of damages for a violation of this section is based on the same acts or circumstances as the basis for recovery of damages in section 1322.11 of the Revised Code. 3781
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Sec. 1322.09. (A) A mortgage broker or loan originator shall disclose in any printed, televised, broadcast, electronically transmitted, or published advertisement relating to the mortgage broker's or loan's originator services, including on any electronic site accessible through the internet, the name and street address of the mortgage broker or loan's originator and the number designated on the certificate of registration or license that is issued to the mortgage broker or loan originator by the superintendent of financial institutions under sections 1322.01 to 1322.12 of the Revised Code. 3788
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(B) In making any advertisement, a mortgage broker shall comply with 12 C.F.R. 226.16, as amended. 3798
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(C) No mortgage broker or loan originator shall fail to comply with this section. 3800
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Sec. 1322.10. (A) After notice and opportunity for a hearing conducted in accordance with Chapter 119. of the Revised Code, the superintendent of financial institutions may do the following: 3802
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(1) Suspend, revoke, or refuse to issue or renew a certificate of registration or license if the superintendent finds 3805
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either any of the following: 3807

(a) A violation of or failure to comply with any provision of 3808
sections 1322.01 to 1322.12 of the Revised Code or the rules 3809
adopted under those sections, federal lending law, or any other 3810
law applicable to the business conducted under a certificate of 3811
registration or license; 3812

(b) A conviction of or guilty plea to a felony in a domestic, 3813
foreign, or military court; 3814

(c) A conviction of or guilty plea to any criminal offense 3815
involving theft, receiving stolen property, embezzlement, forgery, 3816
fraud, passing bad checks, money laundering, breach of trust, 3817
dishonesty, or drug trafficking, or any criminal offense involving 3818
money or securities, in a domestic, foreign, or military court; 3819

(d) The revocation of a mortgage broker certificate of 3820
registration or loan originator license, or any comparable 3821
authority, in any governmental jurisdiction. 3822

(2) Impose a fine of not more than one thousand dollars, for 3823
each day a violation of a law or rule is committed, repeated, or 3824
continued. If the registrant or licensee engages in a pattern of 3825
repeated violations of a law or rule, the superintendent may 3826
impose a fine of not more than two thousand dollars for each day 3827
the violation is committed, repeated, or continued. All fines 3828
collected pursuant to this division shall be paid to the treasurer 3829
of state to the credit of the consumer finance fund created in 3830
section 1321.21 of the Revised Code. In determining the amount of 3831
a fine to be imposed pursuant to this division, the superintendent 3832
~~shall~~ may consider all of the following, to the extent known by 3833
the division of financial institutions: 3834

(a) The seriousness of the violation; 3835

(b) The registrant's or licensee's good faith efforts to 3836

prevent the violation; 3837

(c) The registrant's or licensee's history regarding 3838
violations and compliance with division orders; 3839

(d) The registrant's or licensee's financial resources; 3840

(e) Any other matters the superintendent considers 3841
appropriate in enforcing sections 1322.01 to 1322.12 of the 3842
Revised Code. 3843

(B) The superintendent may investigate alleged violations of 3844
sections 1322.01 to 1322.12 of the Revised Code or the rules 3845
adopted under those sections or complaints concerning any ~~such~~ 3846
violation. ~~The~~ 3847

(1) The superintendent may make application to the court of 3848
common pleas for an order enjoining any ~~such~~ violation, and, upon 3849
a showing by the superintendent that a person has committed or is 3850
about to commit ~~such~~ a that violation, the court shall grant an 3851
injunction, restraining order, or other appropriate relief. 3852

(2) The superintendent may make application to the court of 3853
common pleas for an order enjoining any person from acting as a 3854
mortgage broker, registrant, loan originator, or licensee in 3855
violation of division (A) or (B) of section 1322.02 of the Revised 3856
Code, and may seek and obtain civil penalties for unregistered or 3857
unlicensed conduct of not more than five thousand dollars per 3858
violation. 3859

(C) In conducting any investigation pursuant to this section, 3860
the superintendent may compel, by subpoena, witnesses to testify 3861
in relation to any matter over which the superintendent has 3862
jurisdiction and may require the production of any book, record, 3863
or other document pertaining to that matter. If a person fails to 3864
file any statement or report, obey any subpoena, give testimony, 3865
produce any book, record, or other document as required by a 3866

subpoena, or permit photocopying of any book, record, or other document subpoenaed, the court of common pleas of any county in this state, upon application made to it by the superintendent, shall compel obedience by attachment proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued from the court or a refusal to testify therein.

(D) If the superintendent determines that a person is engaged in or is believed to be engaged in activities that may constitute a violation of sections 1322.01 to 1322.12 of the Revised Code or any rule adopted thereunder, the superintendent, after notice and a hearing conducted in accordance with Chapter 119. of the Revised Code, may issue a cease and desist order or seek or impose fines of not more than five thousand dollars per violation. Such an order shall be enforceable in the court of common pleas.

(E) If the superintendent revokes ~~the~~ a mortgage broker certificate of registration or loan originator license ~~of a registrant or licensee who is convicted of or pleads guilty to a criminal violation of any provision of sections 1322.01 to 1322.12 of the Revised Code or any criminal offense described in division (A) (1) (b) of this section~~, the revocation shall be permanent and with prejudice.

(F) (1) To protect the public interest, the superintendent may, without a prior hearing, do any of the following:

(a) Suspend the mortgage broker certificate of registration or loan originator license of a registrant or licensee who is convicted of or pleads guilty to a criminal violation of any provision of sections 1322.01 to 1322.12 of the Revised Code or any criminal offense described in division (A) (1) (b) or (c) of this section;

(b) Suspend the mortgage broker certificate of registration of a registrant who violates division (F) of section 1322.05 of

the Revised Code; 3898

(c) Suspend the mortgage broker certificate of registration 3899
or loan originator license of a registrant or licensee who fails 3900
to comply with a request made by the superintendent under section 3901
1322.03 or 1322.031 of the Revised Code to inspect qualifying 3902
education transcripts located at the registrant's or licensee's 3903
place of business. 3904

~~(2) The superintendent shall, without a prior hearing, 3905
suspend the certificate of registration of a registrant whose 3906
operations manager has failed to fulfill the continuing education 3907
requirements of section 1322.052 of the Revised Code and suspend 3908
the license of a licensee who has failed to fulfill those 3909
continuing education requirements. The suspension shall continue 3910
until such time as the required continuing education is completed 3911
and a fine of five hundred dollars is paid to the treasurer of 3912
state to the credit of the consumer finance fund. 3913~~

~~(3) The superintendent may, in accordance with Chapter 119. 3914
of the Revised Code, subsequently revoke any registration or 3915
license suspended under division (F)(1) of this section. 3916~~

~~(4)(3) The superintendent shall, in accordance with Chapter 3917
119. of the Revised Code, adopt rules establishing the maximum 3918
amount of time a suspension under division (F)(1) of this section 3919
may continue before a hearing is conducted. 3920~~

(G) The imposition of fines under this section does not 3921
preclude any penalty imposed under section 1322.99 of the Revised 3922
Code. 3923

Sec. 1322.11. (A) (1) A buyer injured by a violation of 3924
section 1322.02, 1322.062, 1322.063, 1322.064, 1322.07, 1322.071, 3925
1322.08, or 1322.09 of the Revised Code may bring an action for 3926
recovery of damages. 3927

(2) Damages awarded under division (A) (1) of this section 3928
 shall not be less than all compensation paid directly and 3929
 indirectly to a mortgage broker or loan originator from any 3930
 source, plus reasonable attorney's fees and court costs. 3931

(3) The buyer may be awarded punitive damages. 3932

(B) (1) The superintendent of financial institutions or a 3933
 buyer may directly bring an action to enjoin a violation of 3934
 sections 1322.01 to 1322.12 of the Revised Code. The attorney 3935
 general may directly bring an action to enjoin a violation of 3936
 sections 1322.01 to 1322.12 of the Revised Code with the same 3937
 rights, privileges, and powers as those described in section 3938
 1345.06 of the Revised Code. The prosecuting attorney of the 3939
 county in which the action may be brought may bring an action to 3940
 enjoin a violation of sections 1322.01 to 1322.12 of the Revised 3941
 Code only if the prosecuting attorney first presents any evidence 3942
 of the violation to the attorney general and, within a reasonable 3943
 period of time, the attorney general has not agreed to bring the 3944
 action. 3945

(2) The superintendent may initiate criminal proceedings 3946
 under sections 1322.01 to 1322.12 of the Revised Code by 3947
 presenting any evidence of criminal violation to the prosecuting 3948
 attorney of the county in which the offense may be prosecuted. If 3949
 the prosecuting attorney does not prosecute the violations, or at 3950
 the request of the prosecuting attorney, the superintendent shall 3951
 present any evidence of criminal violations to the attorney 3952
 general, who may proceed in the prosecution with all the rights, 3953
 privileges, and powers conferred by law on prosecuting attorneys, 3954
 including the power to appear before grand juries and to 3955
 interrogate witnesses before such grand juries. These powers of 3956
 the attorney general shall be in addition to any other applicable 3957
 powers of the attorney general. 3958

- (3) The prosecuting attorney of the county in which an
alleged offense may be prosecuted may initiate criminal
proceedings under sections 1322.01 to 1322.12 of the Revised Code.
- (4) In order to initiate criminal proceedings under sections
1322.01 to 1322.12 of the Revised Code, the attorney general shall
first present any evidence of criminal violations to the
prosecuting attorney of the county in which the alleged offense
may be prosecuted. If, within a reasonable period of time, the
prosecuting attorney has not agreed to prosecute the violations,
the attorney general may proceed in the prosecution with all the
rights, privileges, and powers described in division (B)(2) of
this section.
- (5) When a judgment under this section becomes final, the
clerk of court shall mail a copy of the judgment, including
supporting opinions, to the superintendent.
- (C) The remedies provided by this section are in addition to
any other remedy provided by law.
- (D) In any proceeding or action brought under sections
1322.01 to 1322.12 of the Revised Code, the burden of proving an
exemption under those sections is on the person claiming the
benefit of the exemption.
- (E) No person shall be deemed to violate sections 1322.01 to
1322.12 of the Revised Code with respect to any act taken or
omission made in reliance on a written notice, written
interpretation, or written report from the superintendent, unless
there is a subsequent amendment to those sections, or rules
promulgated thereunder, that affects the superintendent's notice,
interpretation, or report.
- (F) Upon disbursement of mortgage loan proceeds to or on
behalf of the buyer, the registrant that assisted the buyer to

obtain the mortgage loan is deemed to have completed the 3989
 performance of the registrant's services for the buyer and owes no 3990
 additional duties or obligations to the buyer with respect to the 3991
 mortgage loan. However, nothing in this division shall be 3992
 construed to limit or preclude the civil or criminal liability of 3993
 a registrant for failing to comply with sections 1322.01 to 3994
 1322.12 of the Revised Code or any rule adopted under those 3995
 sections, for failing to comply with any provision of or duty 3996
 arising under an agreement with a buyer or lender under sections 3997
 1322.01 to 1322.12 of the Revised Code, or for violating any other 3998
 provision of state or federal law. 3999

(G) A buyer injured by a violation of any of the sections 4000
 specified in division (A) (1) of this section is precluded from 4001
 recovering any damages, plus reasonable attorney's fees and costs, 4002
 if the buyer has also recovered any damages in a cause of action 4003
 initiated under section 1322.081 of the Revised Code and the 4004
 recovery of damages for a violation of any of the sections 4005
 specified in division (A) (1) of this section is based on the same 4006
 acts or circumstances as the basis for recovery of damages in 4007
 section 1322.081 of the Revised Code." 4008

Between lines 18038 and 18039, insert: 4009

"**Sec. 1343.011.** (A) As used in this section: 4010

(1) "Discount points" means any charges, whether or not 4011
 actually denominated as "discount points," that are paid by the 4012
 seller or the buyer of residential real property to a residential 4013
 mortgage lender or that are deducted and retained by a residential 4014
 mortgage lender from the proceeds of the residential mortgage. 4015
 "Discount points" does not include the costs associated with 4016
 settlement services as defined in the "Real Estate Settlement 4017
 Procedures Act of 1974," 88 Stat. 1724, 12 U.S.C. 2601, amendments 4018

thereto, reenactments thereof, enactments parallel thereto, or in substitution therefor, or regulations issued thereunder.

(2) "Residential mortgage" means an obligation to pay a sum of money evidenced by a note and secured by a lien upon real property located within this state containing two or fewer residential units or on which two or fewer residential units are to be constructed and includes such an obligation on a residential condominium or cooperative unit.

(3) "Residential mortgage lender" means any person, bank, or savings and loan association that lends money or extends or grants credit and obtains a residential mortgage to assure payment of the debt. The term also includes the holder at any time of a residential mortgage obligation.

(B) Except residential mortgage loans described in division (B) (3) of section 1343.01 of the Revised Code, no residential mortgage lender shall receive either directly or indirectly from a seller or buyer of real estate any discount points in excess of two per cent of the original principal amount of the residential mortgage. This division is not a limitation on discount points or other charges for purposes of section 501(b) (4) of the "Depository Institutions Deregulation and Monetary Control Act of 1980," 94 Stat. 161, 12 U.S.C.A. 1735f-7a.

(C) (1) Except as provided in division (C) (2) of this section, residential mortgage obligations may be prepaid or refinanced without penalty at any time after five years from the execution date of the mortgage. Prior to such time a prepayment or refinancing penalty may be provided not in excess of one per cent of the original principal amount of the residential mortgage.

(2) (a) No penalty may be charged for the prepayment or refinancing of a residential mortgage obligation of less than seventy-five thousand dollars that is made or arranged by a

mortgage broker, loan ~~officer~~ originator, or nonbank mortgage lender, as those terms are defined in section 1345.01 of the Revised Code, and that is secured by a mortgage on a borrower's real estate that is a first lien on the real estate.

(b) The amount specified in division (C)(2)(a) of this section shall be adjusted annually on the first day of January by the annual percentage change in the consumer price index for all urban consumers, midwest region, all items, as determined by the bureau of labor statistics of the United States department of labor or, if that index is no longer published, a generally available comparable index, as reported on the first day of June of the year preceding the adjustment. The department of commerce shall publish the adjusted amounts on its official web site.

Sec. 1345.01. As used in sections 1345.01 to 1345.13 of the Revised Code:

(A) "Consumer transaction" means a sale, lease, assignment, award by chance, or other transfer of an item of goods, a service, a franchise, or an intangible, to an individual for purposes that are primarily personal, family, or household, or solicitation to supply any of these things. "Consumer transaction" does not include transactions between persons, defined in sections 4905.03 and 5725.01 of the Revised Code, and their customers, except for transactions involving a loan made pursuant to sections 1321.35 to 1321.48 of the Revised Code and transactions in connection with residential mortgages between loan ~~officers~~ originators, mortgage brokers, or nonbank mortgage lenders and their customers; transactions between certified public accountants or public accountants and their clients; transactions between attorneys, physicians, or dentists and their clients or patients; and transactions between veterinarians and their patients that pertain to medical treatment but not ancillary services.

(B) "Person" includes an individual, corporation, government, 4081
governmental subdivision or agency, business trust, estate, trust, 4082
partnership, association, cooperative, or other legal entity. 4083

(C) "Supplier" means a seller, lessor, assignor, franchisor, 4084
or other person engaged in the business of effecting or soliciting 4085
consumer transactions, whether or not the person deals directly 4086
with the consumer. If the consumer transaction is in connection 4087
with a residential mortgage, "supplier" does not include an 4088
assignee or purchaser of the loan for value, except as otherwise 4089
provided in section 1345.091 of the Revised Code. For purposes of 4090
this division, in a consumer transaction in connection with a 4091
residential mortgage, "seller" means a loan ~~officer~~ originator, 4092
mortgage broker, or nonbank mortgage lender. 4093

(D) "Consumer" means a person who engages in a consumer 4094
transaction with a supplier. 4095

(E) "Knowledge" means actual awareness, but such actual 4096
awareness may be inferred where objective manifestations indicate 4097
that the individual involved acted with such awareness. 4098

(F) "Natural gas service" means the sale of natural gas, 4099
exclusive of any distribution or ancillary service. 4100

(G) "Public telecommunications service" means the 4101
transmission by electromagnetic or other means, other than by a 4102
telephone company as defined in section 4927.01 of the Revised 4103
Code, of signs, signals, writings, images, sounds, messages, or 4104
data originating in this state regardless of actual call routing. 4105
"Public telecommunications service" excludes a system, including 4106
its construction, maintenance, or operation, for the provision of 4107
telecommunications service, or any portion of such service, by any 4108
entity for the sole and exclusive use of that entity, its parent, 4109
a subsidiary, or an affiliated entity, and not for resale, 4110
directly or indirectly; the provision of terminal equipment used 4111

to originate telecommunications service; broadcast transmission by 4112
radio, television, or satellite broadcast stations regulated by 4113
the federal government; or cable television service. 4114

(H) "~~Loan officer~~ originator" has the same meaning as in 4115
section 1322.01 of the Revised Code, and includes a "mortgage loan 4116
originator" as defined in section 1321.51 of the Revised Code, 4117
except that it does not include an employee of a bank, savings 4118
bank, savings and loan association, credit union, or credit union 4119
service organization organized under the laws of this state, 4120
another state, or the United States; an employee of a subsidiary 4121
of such a bank, savings bank, savings and loan association, or 4122
credit union; or an employee of an affiliate that (1) controls, is 4123
controlled by, or is under common control with, such a bank, 4124
savings bank, savings and loan association, or credit union and 4125
(2) is subject to examination, supervision, and regulation, 4126
including with respect to the affiliate's compliance with 4127
applicable consumer protection requirements, by the board of 4128
governors of the federal reserve system, the comptroller of the 4129
currency, the office of thrift supervision, the federal deposit 4130
insurance corporation, or the national credit union 4131
administration. 4132

(I) "Residential mortgage" or "mortgage" means an obligation 4133
to pay a sum of money evidenced by a note and secured by a lien 4134
upon real property located within this state containing two or 4135
fewer residential units or on which two or fewer residential units 4136
are to be constructed and includes such an obligation on a 4137
residential condominium or cooperative unit. 4138

(J) "Mortgage broker" has the same meaning as in section 4139
1322.01 of the Revised Code, except that it does not include a 4140
bank, savings bank, savings and loan association, credit union, or 4141
credit union service organization organized under the laws of this 4142

state, another state, or the United States; a subsidiary of such a
bank, savings bank, savings and loan association, or credit union;
an affiliate that (1) controls, is controlled by, or is under
common control with, such a bank, savings bank, savings and loan
association, or credit union and (2) is subject to examination,
supervision, and regulation, including with respect to the
affiliate's compliance with applicable consumer protection
requirements, by the board of governors of the federal reserve
system, the comptroller of the currency, the office of thrift
supervision, the federal deposit insurance corporation, or the
national credit union administration; or an employee of any such
entity.

(K) "Nonbank mortgage lender" means any person that engages
in a consumer transaction in connection with a residential
mortgage, except for a bank, savings bank, savings and loan
association, credit union, or credit union service organization
organized under the laws of this state, another state, or the
United States; a subsidiary of such a bank, savings bank, savings
and loan association, or credit union; or an affiliate that (1)
controls, is controlled by, or is under common control with, such
a bank, savings bank, savings and loan association, or credit
union and (2) is subject to examination, supervision, and
regulation, including with respect to the affiliate's compliance
with applicable consumer protection requirements, by the board of
governors of the federal reserve system, the comptroller of the
currency, the office of thrift supervision, the federal deposit
insurance corporation, or the national credit union
administration.

(L) For purposes of divisions (H), (J), and (K) of this
section:

(1) "Control" of another entity means ownership, control, or

power to vote twenty-five per cent or more of the outstanding 4174
shares of any class of voting securities of the other entity, 4175
directly or indirectly or acting through one or more other 4176
persons. 4177

(2) "Credit union service organization" means a CUSO as 4178
defined in 12 C.F.R. 702.2. 4179

Sec. 1345.05. (A) The attorney general shall: 4180

(1) Adopt, amend, and repeal procedural rules; 4181

(2) Adopt as a rule a description of the organization of the 4182
attorney general's office, stating the general courses and methods 4183
of operation of the section of the office of the attorney general, 4184
which is to administer Chapter 1345. of the Revised Code and 4185
methods whereby the public may obtain information or make 4186
submissions or requests, including a description of all forms and 4187
instructions used by that office; 4188

(3) Make available for public inspection all rules and all 4189
other written statements of policy or interpretations adopted or 4190
used by the attorney general in the discharge of the attorney 4191
general's functions, together with all judgments, including 4192
supporting opinions, by courts of this state that determine the 4193
rights of the parties and concerning which appellate remedies have 4194
been exhausted, or lost by the expiration of the time for appeal, 4195
determining that specific acts or practices violate section 4196
1345.02, 1345.03, or 1345.031 of the Revised Code; 4197

(4) Inform consumers and suppliers on a continuing basis of 4198
acts or practices that violate Chapter 1345. of the Revised Code 4199
by, among other things, publishing an informational document 4200
describing acts and practices in connection with residential 4201
mortgages that are unfair, deceptive, or unconscionable, and by 4202
making that information available on the attorney general's 4203

official web site; 4204

(5) Cooperate with state and local officials, officials of 4205
other states, and officials of the federal government in the 4206
administration of comparable statutes; 4207

(6) Report annually on or before the first day of January to 4208
the governor and the general assembly on the operations of the 4209
attorney general in respect to Chapter 1345. of the Revised Code, 4210
and on the acts or practices occurring in this state that violate 4211
such chapter. The report shall include a statement of 4212
investigatory and enforcement procedures and policies, of the 4213
number of investigations and enforcement proceedings instituted 4214
and of their disposition, and of other activities of the state and 4215
of other persons to promote the purposes of Chapter 1345. of the 4216
Revised Code. 4217

(7) In carrying out official duties, the attorney general 4218
shall not disclose publicly the identity of suppliers investigated 4219
or the facts developed in investigations unless these matters have 4220
become a matter of public record in enforcement proceedings, in 4221
public hearings conducted pursuant to division (B)(1) of this 4222
section, or the suppliers investigated have consented in writing 4223
to public disclosure. 4224

(B) The attorney general may: 4225

(1) Conduct research, make inquiries, hold public hearings, 4226
and publish studies relating to consumer transactions; 4227

(2) Adopt, amend, and repeal substantive rules defining with 4228
reasonable specificity acts or practices that violate sections 4229
1345.02, 1345.03, and 1345.031 of the Revised Code. In adopting, 4230
amending, or repealing substantive rules defining acts or 4231
practices that violate section 1345.02 of the Revised Code, due 4232
consideration and great weight shall be given to federal trade 4233

commission orders, trade regulation rules and guides, and the 4234
federal courts' interpretations of subsection 45 (a) (1) of the 4235
"Federal Trade Commission Act," 38 Stat. 717 (1914), 15 U.S.C.A. 4236
41, as amended. 4237

In adopting, amending, or repealing such rules concerning a 4238
consumer transaction in connection with a residential mortgage, 4239
the attorney general shall consult with the superintendent of 4240
financial institutions and shall give due consideration to state 4241
and federal statutes, regulations, administrative agency 4242
interpretations, and case law. 4243

(C) In the conduct of public hearings authorized by this 4244
section, the attorney general may administer oaths, subpoena 4245
witnesses, adduce evidence, and require the production of relevant 4246
material. Upon failure of a person without lawful excuse to obey a 4247
subpoena or to produce relevant matter, the attorney general may 4248
apply to a court of common pleas for an order compelling 4249
compliance. 4250

(D) The attorney general may request that an individual who 4251
refuses to testify or to produce relevant material on the ground 4252
that the testimony or matter may incriminate the individual be 4253
ordered by the court to provide the testimony or matter. With the 4254
exception of a prosecution for perjury and an action for damages 4255
under section 1345.07 or 1345.09 of the Revised Code, an 4256
individual who complies with a court order to provide testimony or 4257
matter, after asserting a privilege against self incrimination to 4258
which the individual is entitled by law, shall not be subjected to 4259
a criminal proceeding on the basis of the testimony or matter 4260
discovered through that testimony or matter. 4261

(E) Any person may petition the attorney general requesting 4262
the adoption, amendment, or repeal of a rule. The attorney general 4263
shall prescribe by rule the form for such petitions and the 4264

procedure for their submission, consideration, and disposition. 4265
 Within sixty days of submission of a petition, the attorney 4266
 general shall either deny the petition in writing, stating the 4267
 reasons for the denial, or initiate rule-making proceedings. There 4268
 is no right to appeal from such denial of a petition. 4269

(F) All rules shall be adopted subject to Chapter 119. of the 4270
 Revised Code. 4271

(G) The informational document published in accordance with 4272
 division (A) (4) of this section shall be made available for 4273
 distribution to consumers who are applying for a mortgage loan. An 4274
 acknowledgement of receipt shall be retained by the lender, 4275
 mortgage broker, and loan ~~officer~~ originator, as applicable, 4276
 subject to review by the attorney general and the department of 4277
 commerce. 4278

Sec. 1345.09. For a violation of Chapter 1345. of the Revised 4279
 Code, a consumer has a cause of action and is entitled to relief 4280
 as follows: 4281

(A) Where the violation was an act prohibited by section 4282
 1345.02, 1345.03, or 1345.031 of the Revised Code, the consumer 4283
 may, in an individual action, rescind the transaction or recover 4284
 the consumer's actual economic damages plus an amount not 4285
 exceeding five thousand dollars in noneconomic damages. 4286

(B) Where the violation was an act or practice declared to be 4287
 deceptive or unconscionable by rule adopted under division (B) (2) 4288
 of section 1345.05 of the Revised Code before the consumer 4289
 transaction on which the action is based, or an act or practice 4290
 determined by a court of this state to violate section 1345.02, 4291
 1345.03, or 1345.031 of the Revised Code and committed after the 4292
 decision containing the determination has been made available for 4293
 public inspection under division (A) (3) of section 1345.05 of the 4294

Revised Code, the consumer may rescind the transaction or recover, 4295
 but not in a class action, three times the amount of the 4296
 consumer's actual economic damages or two hundred dollars, 4297
 whichever is greater, plus an amount not exceeding five thousand 4298
 dollars in noneconomic damages or recover damages or other 4299
 appropriate relief in a class action under Civil Rule 23, as 4300
 amended. 4301

(C) (1) Except as otherwise provided in division (C) (2) of 4302
 this section, in any action for rescission, revocation of the 4303
 consumer transaction must occur within a reasonable time after the 4304
 consumer discovers or should have discovered the ground for it and 4305
 before any substantial change in condition of the subject of the 4306
 consumer transaction. 4307

(2) If a consumer transaction between a loan officer 4308
originator, mortgage broker, or nonbank mortgage lender and a 4309
 customer is in connection with a residential mortgage, revocation 4310
 of the consumer transaction in an action for rescission is only 4311
 available to a consumer in an individual action, and shall occur 4312
 for no reason other than one or more of the reasons set forth in 4313
 the "Truth in Lending Act," 82 Stat. 146 (1968), 15 U.S.C. 1635, 4314
 not later than the time limit within which the right of rescission 4315
 under section 125(f) of the "Truth in Lending Act" expires. 4316

(D) Any consumer may seek a declaratory judgment, an 4317
 injunction, or other appropriate relief against an act or practice 4318
 that violates this chapter. 4319
 4320

(E) When a consumer commences an individual action for a 4321
 declaratory judgment or an injunction or a class action under this 4322
 section, the clerk of court shall immediately mail a copy of the 4323
 complaint to the attorney general. Upon timely application, the 4324
 attorney general may be permitted to intervene in any private 4325

action or appeal pending under this section. When a judgment under 4326
 this section becomes final, the clerk of court shall mail a copy 4327
 of the judgment including supporting opinions to the attorney 4328
 general for inclusion in the public file maintained under division 4329
 (A) (3) of section 1345.05 of the Revised Code. 4330

(F) The court may award to the prevailing party a reasonable 4331
 attorney's fee limited to the work reasonably performed, if either 4332
 of the following apply: 4333

(1) The consumer complaining of the act or practice that 4334
 violated this chapter has brought or maintained an action that is 4335
 groundless, and the consumer filed or maintained the action in bad 4336
 faith; 4337

(2) The supplier has knowingly committed an act or practice 4338
 that violates this chapter. 4339

(G) As used in this section, "actual economic damages" means 4340
 damages for direct, incidental, or consequential pecuniary losses 4341
 resulting from a violation of Chapter 1345. of the Revised Code 4342
 and does not include damages for noneconomic loss as defined in 4343
 section 2315.18 of the Revised Code. 4344

(H) Nothing in this section shall preclude a consumer from 4345
 also proceeding with a cause of action under any other theory of 4346
 law." 4347

Between lines 18129 and 18130, insert: 4348

"Sec. 1349.31. (A) (1) No creditor shall willfully and 4349
 knowingly fail to comply with section 1349.26 or 1349.27 of the 4350
 Revised Code. For purposes of division (A) (1) of this section, 4351
 "willfully and knowingly" has the same meaning as in section 112 4352
 of the "Truth in Lending Act," 82 Stat. 146 (1968), 15 U.S.C.A. 4353
 1611, as amended. 4354

(2) Whoever violates division (A) (1) of this section is 4355
guilty of a felony of the fifth degree. 4356

(B) The superintendent of financial institutions may directly 4357
bring an action to enjoin a violation of this section. The 4358
attorney general may directly bring an action against a mortgage 4359
broker, loan ~~officer~~ originator, or nonbank mortgage lender to 4360
enjoin a violation of this section with the same rights, 4361
privileges, and powers as those described in section 1345.06 of 4362
the Revised Code. The prosecuting attorney of the county in which 4363
the action may be brought may bring an action against a mortgage 4364
broker, loan ~~officer~~ originator, or nonbank mortgage lender to 4365
enjoin a violation of this section only if the prosecuting 4366
attorney first presents any evidence of the violation to the 4367
attorney general and, within a reasonable period of time, the 4368
attorney general has not agreed to bring the action. 4369

For purposes of this division, "loan ~~officer~~ originator," 4370
"mortgage broker," and "nonbank mortgage lender" have the same 4371
meanings as in section 1345.01 of the Revised Code. 4372

(C) (1) The superintendent of financial institutions may 4373
initiate criminal proceedings under this section by presenting any 4374
evidence of criminal violations to the prosecuting attorney of the 4375
county in which the offense may be prosecuted. If the prosecuting 4376
attorney does not prosecute the violations, or at the request of 4377
the prosecuting attorney, the superintendent shall present any 4378
evidence of criminal violations to the attorney general, who may 4379
proceed in the prosecution with all the rights, privileges, and 4380
powers conferred by law on prosecuting attorneys, including the 4381
power to appear before grand juries and to interrogate witnesses 4382
before such grand juries. These powers of the attorney general 4383
shall be in addition to any other applicable powers of the 4384
attorney general. 4385

(2) The prosecuting attorney of the county in which an
alleged offense may be prosecuted may initiate criminal
proceedings under this section.

(3) In order to initiate criminal proceedings under this
section, the attorney general shall first present any evidence of
criminal violations to the prosecuting attorney of the county in
which the alleged offense may be prosecuted. If, within a
reasonable period of time, the prosecuting attorney has not agreed
to prosecute the violations, the attorney general may proceed in
the prosecution with all the rights, privileges, and powers
described in division (C)(1) of this section.

Sec. 1349.43. (A) As used in this section, "~~loan officer~~
originator," "mortgage broker," and "nonbank mortgage lender" have
the same meanings as in section 1345.01 of the Revised Code.

(B) The department of commerce shall establish and maintain
an electronic database accessible through the internet that
contains information on all of the following:

(1) The enforcement actions taken by the superintendent of
financial institutions for each violation of or failure to comply
with any provision of sections 1322.01 to 1322.12 of the Revised
Code, upon final disposition of the action;

(2) The enforcement actions taken by the attorney general
under Chapter 1345. of the Revised Code against ~~loan officers~~
originators, mortgage brokers, and nonbank mortgage lenders, upon
final disposition of each action;

(3) All judgments by courts of this state, concerning which
appellate remedies have been exhausted or lost by the expiration
of the time for appeal, finding either of the following:

(a) A violation of any provision of sections 1322.01 to

1322.12 of the Revised Code; 4415

(b) That specific acts or practices by a loan officer 4416
originator, mortgage broker, or nonbank mortgage lender violate 4417
section 1345.02, 1345.03, or 1345.031 of the Revised Code. 4418

(C) The attorney general shall submit to the department, on 4419
the first day of each January, April, July, and October, a list of 4420
all enforcement actions and judgments described in divisions 4421
(B) (2) and (3) (b) of this section. 4422

(D) The department may adopt rules in accordance with Chapter 4423
119. of the Revised Code that are necessary to implement this 4424
section. 4425

(E) The electronic database maintained by the department in 4426
accordance with this section shall not include information that, 4427
pursuant to section 1322.061 of the Revised Code, is 4428
confidential." 4429

In line 98861, after "121.04," insert "121.07," 4430

In line 98882, after "955.201," insert "1321.20, 1321.51, 4431
1321.52, 1321.53, 1321.54, 1321.55, 1321.551, 1321.57, 1321.59, 4432
1321.60, 1321.99, 1322.01, 1322.02, "; after "1322.041," insert 4433
"1322.05, 1322.051, 1322.052, 1322.06, 1322.061, 1322.062, 4434
1322.063, 1322.064, 1322.07, 1322.071, 1322.072, 1322.074, 4435
1322.075, 1322.08, 1322.081, 1322.09, 1322.10, 1322.11," 4436

In line 98884, after "1332.25," insert "1343.011, 1345.01, 4437
1345.05, 1345.09, "; after "1347.08," insert "1349.31, 1349.43," 4438

Between lines 111754 and 111755, insert: 4439

"Section 701.70. It is the intent of the General Assembly 4440
that the Superintendent of Financial Institutions take any action 4441
necessary to provide for an orderly transition for those persons 4442
who, on the effective date of this section, hold mortgage lender 4443

certificates of registration under sections 1321.51 to 1321.60 of 4444
the Revised Code, mortgage broker certificates of registration 4445
under sections 1322.01 to 1322.12 of the Revised Code, or loan 4446
officer licenses under sections 1322.01 to 1322.12 of the Revised 4447
Code, and for those persons who, on the effective date of this 4448
section, perform the functions or duties of loan originators, as 4449
specified in this act." 4450

In line 112445, after "701.20," insert "701.70," 4451

In line 2 of the title, after "121.04," insert "121.07," 4452

In line 30 of the title, after "955.201," insert "1321.20, 4453
1321.51, 1321.52, 1321.53, 1321.54, 1321.55, 1321.551, 1321.57, 4454
1321.59, 1321.60, 1321.99, 1322.01, 1322.02," 4455

In line 31 of the title, after "1322.041," insert "1322.05, 4456
1322.051, 1322.052, 1322.06, 1322.061, 1322.062, 1322.063, 4457
1322.064, 1322.07, 1322.071, 1322.072, 1322.074, 1322.075, 4458
1322.08, 1322.081, 1322.09, 1322.10, 1322.11," 4459

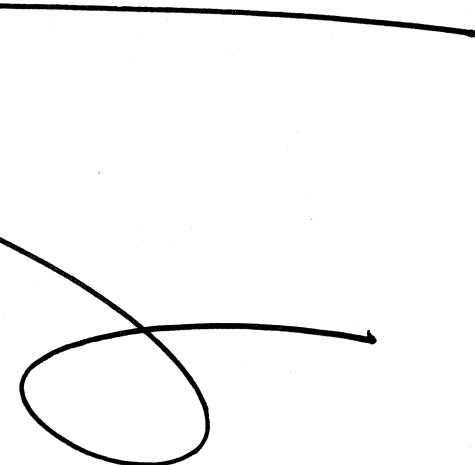
In line 33 of the title, after "1332.25," insert "1343.011, 4460
1345.01, 1345.05, 1345.09," 4461

In line 34 of the title, after "1347.08," insert "1349.31, 4462
1349.43," 4463

In line 223 of the title, after "943.031," insert "1321.521, 4464
1321.531, 1321.532, 1321.533, 1321.534, 1321.535, 1321.536, 4465
1321.552, 1321.591, 1321.592, 1321.593, 1321.594, 1321.595, 4466
1322.022, 1322.023, 1322.024, 1322.065," 4467

The motion was _____ agreed to.

SYNOPSIS



4468

Mortgage Lending Laws

4469

R.C. 109.572, 121.07, 1321.20, 1321.51, 1321.52, 1321.521, 4470
 1321.53, 1321.531, 1321.532, 1321.533, 1321.534, 1321.535, 4471
 1321.536, 1321.54, 1321.55, 1321.551, 1321.552, 1321.57, 1321.59, 4472
 1321.591, 1321.592, 1321.593, 1321.594, 1321.595, 1321.60, 4473
 1321.99, 1322.01, 1322.02, 1322.022, 1322.023, 1322.024, 1322.03, 4474
 1322.031, 1322.04, 1322.041, 1322.05, 1322.051, 1322.052, 1322.06, 4475
 1322.061, 1322.062, 1322.063, 1322.064, 1322.065, 1322.07, 4476
 1322.071, 1322.072, 1322.074, 1322.075, 1322.08, 1322.081, 4477
 1322.09, 1322.10, 1322.11, 1343.011, 1345.01, 1345.05, 1345.09, 4478
 1349.31, and 1349.43; Section 701.70 4479

Makes revisions to the Mortgage Loan Law (R.C. 1321.51 to 4480
 1321.60), including with respect to the registration of mortgage 4481
 lenders and the licensing of mortgage loan originators who are 4482
 employed by or associated with mortgage lenders. 4483

Makes revisions to the Mortgage Broker/Loan Officers Law 4484
 (R.C. 1322.01 to 1322.12), including with respect to the 4485
 registration of mortgage brokers and the licensing of loan 4486
 originators who are employed by or associated with mortgage 4487
 brokers, eliminates the licensing of loan officers. 4488

Requires participation in the Nationwide Mortgage Licensing 4489
 System and Registry in accordance with the federal "Secure and 4490
 Fair Enforcement for Mortgage Licensing Act of 2008." 4491