

# AN ACT

To amend sections 317.114, 1321.51, 1321.522, 1321.53, 1321.531, 1321.532, 1321.533, 1321.535, 1321.54, 1321.55, 1321.59, 1322.01, 1322.02, 1322.022, 1322.023, 1322.03, 1322.031, 1322.04, 1322.041, 1322.062, 1322.07, 1322.074, 1322.10, 1322.99, 1343.011, 1345.01, 1345.05, 1345.09, 1349.31, 1349.43, 1541.083, 1733.252, 5302.01, 5302.02, 5302.22, 5302.221, 5302.23, and 5815.36, to enact sections 5302.222 and 5302.24 of the Revised Code, and to amend Section 745.60 of Am. Sub. H.B. 1 of the 128th General Assembly to change the transfer on death (TOD) designation instrument from a deed to an affidavit, to allow real property owners holding title in survivorship tenancy to execute such an affidavit, to clarify the status of a trustee of a trust as a TOD beneficiary and the dower rights of the spouse of the property owner, to make other changes pertaining to the transfer on death of real property, to modify the mortgage lending laws, to temporarily authorize a treasurer or prosecuting attorney of a county with a population of more than 800,000 but less than 900,000 to designate that part of any surplus balance in the county's Delinquent Tax and Assessment Collection Fund be used to pay operating expenses of the respective office in lieu of county general fund money, to allow a county recorder to accept for filing certain nonconforming documents without charging the fees otherwise required to be collected for nonconforming documents, relative to coal mining leases at Burr Oak State Park, to authorize the

Governor to execute a release of reversionary interest in certain real estate located in Auglaize County, and to declare an emergency.

*Be it enacted by the General Assembly of the State of Ohio:*

SECTION 1. That sections 317.114, 1321.51, 1321.522, 1321.53, 1321.531, 1321.532, 1321.533, 1321.535, 1321.54, 1321.55, 1321.59, 1322.01, 1322.02, 1322.022, 1322.023, 1322.03, 1322.031, 1322.04, 1322.041, 1322.062, 1322.07, 1322.074, 1322.10, 1322.99, 1343.011, 1345.01, 1345.05, 1345.09, 1349.31, 1349.43, 1541.083, 1733.252, 5302.01, 5302.02, 5302.22, 5302.221, 5302.23, and 5815.36 be amended and sections 5302.222 and 5302.24 of the Revised Code be enacted to read as follows:

Sec. 317.114. (A) Except as otherwise provided in ~~division~~ divisions (B) and (C) of this section, an instrument or document presented for recording to the county recorder shall have been prepared in accordance with all of the following requirements:

- (1) ~~Print~~ Legible print size not smaller than a ~~computer~~ font size of ten;
- (2) Minimum paper size of eight and one-half inches by eleven inches;
- (3) Maximum paper size of eight and one-half inches by fourteen inches;
- (4) Black or blue ink only;
- (5) No use of highlighting;
- (6) Margins of one-inch width on each side of each page of the instrument or document;
- (7) A margin of one-inch width across the bottom of each page of the instrument or document;
- (8) A three-inch margin of blank space across the top of the first page of each instrument or document to accommodate any certification or indorsement of the county engineer, county auditor, or county recorder, as may be required by law, with the right half of that margin being reserved for the indorsement of the county recorder required by section 317.12 of the Revised Code; and
- (9) A one and one-half-inch margin of blank space across the top of each of the remaining pages of the instrument or document to accommodate any certification or indorsement of the county engineer, county auditor, or county recorder, as may be required by law.

~~The~~ (B)(1) Except as otherwise provided in division (B)(2) of this section, the county recorder shall accept for recording an instrument or

document that does not conform to the ~~foregoing~~ requirements set forth in division (A) of this section but shall charge and collect the following additional fees for each such instrument or document: an additional base fee for the recorder's services of ten dollars and a housing trust fund fee of ten dollars, which shall be collected pursuant to section 317.36 of the Revised Code.

(2) The county recorder shall accept for recording an instrument or document that does not conform to the requirements set forth in division (A) of this section but shall not charge and collect the additional fees specified in division (B)(1) of this section for page numbers, hand-written, typed, or printed initials, bar codes, copyright information, trailing portions of signatures, plat description of any oil and gas well location or drilling unit or lease, or any other incidental information that is not essential to the recording process or to the legal validity of the instrument or document and that may appear in either of the side margins or in the bottom margin. In addition, notary stamps and seals and any signatures and initials that may appear within the instrument or document need not satisfy the font size requirement and no additional fees may be charged or collected by the county recorder for such a nonconformance.

~~(B)~~(C) This section does not apply to any of the following:

- (1) Any document that originates with any court or taxing authority;
- (2) Any document authorized to be recorded under section 317.24 of the Revised Code;
- (3) Any plat, as defined in section 711.001 of the Revised Code, that is required or authorized by the Revised Code to be recorded;
- (4) Any document authorized to be recorded that originates from any state or federal agency;
- (5) Any document executed before ~~the effective date of this section~~ July 1, 2009.

Sec. 1321.51. As used in sections 1321.51 to 1321.60 of the Revised Code:

(A) "Person" means an individual, partnership, association, trust, corporation, or any other legal entity.

(B) "Certificate" means a certificate of registration issued under sections 1321.51 to 1321.60 of the Revised Code.

(C) "Registrant" means a person to whom one or more certificates of registration have been issued under sections 1321.51 to 1321.60 of the Revised Code.

(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.

(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.

(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.

(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.

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

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

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

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

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

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

(2) The original credit line of an open-end loan.

(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.

(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.

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

(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:

(a) Takes or offers to take a residential mortgage loan application;

(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;

(c) Offers or negotiates terms of a residential mortgage loan;

(d) Issues or offers to issue a commitment for a residential mortgage loan to a borrower.

(2) "Mortgage loan originator" does not include any of the following:

(a) An individual who performs purely administrative or clerical tasks on behalf of a mortgage loan originator;

(b) A person licensed pursuant to 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, mortgage loan originator, or by any agent thereof;

(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, 2009;

(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;

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

(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;

(g) Any person engaged in the retail sale of manufactured homes, mobile homes, or industrialized units 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:

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

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

(iii) Receive any payment or fee from any company or individual for assisting the borrower obtain or apply for financing to purchase the manufactured home, mobile home, or industrialized unit;

(iv) Assist the borrower in completing the residential mortgage loan application.

(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, unless such delay is denied by the United States department of housing and urban development.

(Q) "Residential mortgage loan" means any loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent consensual security interest 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.

(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.

(S) "Registered mortgage loan originator" means an individual to whom both of the following apply:

(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 federal banking agency, or an

institution regulated by the farm credit administration.

(2) The individual is registered with, and maintains a unique identifier through, the nationwide mortgage licensing system and registry.

(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.

(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.

(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 licensed mortgage loan originator or registered mortgage loan originator. For purposes of this division, to "perform clerical or support duties" includes means to do all of the following activities:

(1) ~~The receipt~~ Receiving, collection ~~collecting, distribution~~ distributing, and ~~analysis of~~ analyzing information common for the processing or underwriting of a residential mortgage loan;

(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.

(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:

(1) Acting as a real estate agent or real estate broker for a buyer, seller, lessor, or lessee of real property;

(2) Bringing together parties interested in the sale, purchase, lease, rental, or exchange of real property;

(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;

(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;

(5) Offering to engage in any activity, or to act in any capacity, described in division (W) of this section.

(X) "Licensee" means any person that has been issued a mortgage loan

originator license under sections 1321.51 to 1321.60 of the Revised Code.

(Y) "Unique identifier" means a number or other identifier that permanently identifies a mortgage 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 mortgage loan originators and uniform identification of, and public access to, the employment history of and the publicly adjudicated disciplinary and enforcement actions against mortgage loan originators.

(Z) "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 islands, the virgin islands, and the northern Mariana islands.

(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.

(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.

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

(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.

(EE) "Primary point of contact" means the employee or owner designated by the registrant or applicant to be the individual who the division of financial institutions can contact regarding compliance or licensing matters relating to the registrant's or applicant's business or lending activities secured by an interest in real estate.

(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.

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

Sec. 1321.522. (A) A credit union service organization seeking exemption from registration pursuant to division (D)(6) of section 1321.53 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 organization. The application shall be in a form prescribed by the superintendent and shall include all of the following:

(1) The organization's business name and state of incorporation;  
(2) The names of the owners, officers, or partners having control of the organization;

(3) An attestation to all of the following:

(a) That the organization and its owners, officers, or partners identified in division (A)(2) of this section have not had a mortgage lender certificate of registration or mortgage loan originator license, or any comparable authority, revoked in any governmental jurisdiction;

(b) That the organization and its owners, officers, or partners identified in division (A)(2) of this section have not been convicted of, or pleaded guilty or nolo contendere to, any of the following in a domestic, foreign, or military court:

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

(ii) At any time prior to the date of application for exemption, a felony involving an act of fraud, dishonesty, a breach of trust, theft, or money laundering.

(c) That, with respect to financing residential mortgage loans, the organization conducts business with residents of this state or secures its loans with property located in this state.

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

(5) An acknowledgment of understanding that the organization is subject to the regulatory authority of the division of financial institutions;

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

(B)(1) If the superintendent determines that the credit union service organization honestly made the attestation required under division (A)(3) of this section and otherwise qualifies for exemption, the superintendent shall issue a letter of exemption. Additional certified copies of a letter of exemption shall be provided upon request and the payment of seventy-five dollars per copy.

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

(C) All of the following conditions apply to any credit union service organization holding a valid letter of exemption:

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

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

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

(4) The organization may provide the surety bond for its mortgage loan originators in the same manner as is permitted for registrants.

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

(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 credit union service organization shall be given an opportunity for a hearing in accordance with Chapter 119. of the Revised Code.

(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 1321.55 of the Revised Code.

(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.

Sec. 1321.53. (A)(1) An application for a certificate of registration under sections 1321.51 to 1321.60 of the Revised Code shall contain an undertaking by the applicant to abide by those sections. The application shall be in writing, under oath, and in the form prescribed by the division of financial institutions, and shall contain any information that the division may require. Applicants that are foreign corporations shall obtain and

maintain a license pursuant to Chapter 1703. of the Revised Code before a certificate is issued or renewed.

(2) Upon the filing of the application and the payment by the applicant of a nonrefundable two hundred dollar investigation fee, a nonrefundable three hundred dollar annual registration fee, and any additional fee required by the nationwide mortgage licensing system and registry, the division shall investigate the relevant facts. If the application involves investigation outside this state, the applicant may be required by the division to advance sufficient funds to pay any of the actual expenses of such investigation, when it appears that these expenses will exceed two hundred dollars. An itemized statement of any of these expenses which the applicant is required to pay shall be furnished to the applicant by the division. No certificate shall be issued unless all the required fees have been submitted to the division.

(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 primary point of contact. While acting as the primary point of contact, the employee or owner shall not be employed by any other registrant or mortgage broker.

(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.

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

(6) If an application for a certificate of registration does not contain all of the information required under division (A) of this section, and if such information is not submitted to the division or to the nationwide mortgage licensing system and registry within ninety days after the superintendent or the nationwide mortgage licensing system and registry requests the information in writing, including by electronic transmission or facsimile, the superintendent may consider the application withdrawn.

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

(a)(i) Certificates of registration issued on or after July 1, 2010, shall annually expire on the thirty-first day of December, unless renewed by the filing of a renewal application and payment of a three hundred dollar nonrefundable annual registration fee, any assessment as determined by the superintendent pursuant to division (A)(7)(a)(ii) of this section, and any additional fee required by the nationwide mortgage licensing system and registry, on or before the last day of December of each year. No other fee or assessment shall be required of a registrant by the state or any political subdivision of this state.

(ii) If the renewal fees billed by the superintendent pursuant to division (A)(7)(a)(i) 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 registrant at a rate sufficient to equal in the aggregate the difference between the renewal fees billed and the estimated expenditures. Each registrant 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 registrant during the previous calendar year. If such an assessment is imposed, it shall not be less than two hundred fifty dollars per registrant and shall not exceed thirty thousand dollars less the total renewal fees paid pursuant to division (A)(7)(a)(i) of this section by each registrant.

(b) Registrants shall timely file renewal applications on forms prescribed by the division and provide any further information that the division may require. If a renewal application does not contain all of the information required under this section, and if that information is not submitted to the division or to the nationwide mortgage licensing system and registry within ninety days after the superintendent or the nationwide mortgage licensing system and registry requests the information in writing, including by electronic transmission or facsimile, the superintendent may consider the application withdrawn.

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

(d) If the division finds the applicant does not meet the conditions set forth in this section, it shall issue a notice of intent to deny the application, and forthwith notify the applicant of the denial, the grounds for the denial, and the applicant's reasonable opportunity to be heard on the action in accordance with Chapter 119. of the Revised Code.

(8) If there is a change of five per cent or more in the ownership of a registrant, the division may make any investigation necessary to determine whether any fact or condition exists that, if it had existed at the time of the original application for a certificate of registration, the fact or condition would have warranted the division to deny the application under division (A)(7) of this section. If such a fact or condition is found, the division may, in accordance with Chapter 119. of the Revised Code, revoke the registrant's certificate.

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

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

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

(C) Not more than one place of business shall be maintained under the same certificate, but the division may issue additional certificates to the same registrant upon compliance with sections 1321.51 to 1321.60 of the Revised Code, governing the issuance of a single certificate. No change in the place of business of a registrant to a location outside the original municipal corporation shall be permitted under the same certificate without the approval of a new application, the payment of the registration fee and, if

required by the superintendent, the payment of an investigation fee of two hundred dollars. When a registrant wishes to change its place of business within the same municipal corporation, it shall give written notice of the change in advance to the division, which shall provide a certificate for the new address without cost. If a registrant changes its name, prior to making loans under the new name it shall give written notice of the change to the division, which shall provide a certificate in the new name without cost. Sections 1321.51 to 1321.60 of the Revised Code do not limit the loans of any registrant to residents of the community in which the registrant's place of business is situated. Each certificate shall be kept conspicuously posted in the place of business of the registrant and is not transferable or assignable.

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

(1) Entities 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 such a depository institution;

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

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

(4) Any political subdivision, or any governmental or other public entity, corporation, instrumentality, or agency, in or of the United States or any state of the United States, or any entity described in division (B)(3) of section 1343.01 of the Revised Code;

(5) 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;

(6) A credit union service organization, provided the organization utilizes services provided by registered mortgage loan originators or the organization complies with section 1321.522 of the Revised Code and holds a valid letter of exemption issued by the superintendent.

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

Sec. 1321.531. (A) An application for a mortgage loan originator license shall be in writing, under oath, and in the form prescribed by the

superintendent of financial institutions. The application shall be accompanied by a nonrefundable application fee of one hundred fifty dollars and all other required fees, including any fees required by the nationwide mortgage licensing system and registry.

(B) 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 loan originator licensees or other persons subject to or involved in their licensure.

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

(1) 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;

(2) 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:

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

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

(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 and registry shall be paid by the applicant.

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

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

(F) If an application for a mortgage loan originator license does not contain all of the information required under this section, and if that information is not submitted to the superintendent or to the nationwide mortgage licensing system and registry within ninety days after the superintendent or the nationwide mortgage licensing system and registry requests the information in writing, including by electronic transmission or facsimile, the superintendent may consider the application withdrawn.

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

(1) The application is accompanied by the application fee 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 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.

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

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

(4) The applicant has not been convicted of, or pleaded guilty or nolo contendere to, any of the following in a domestic, foreign, or military court:

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

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

(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, and that the applicant meets all of the conditions for issuing a mortgage loan originator license.

(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.

(7) The applicant is covered under a valid bond in compliance with section 1321.533 of the Revised Code.

(8) The applicant's financial responsibility, character, and general fitness command the confidence of the public and warrant the belief that the mortgage 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.

(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:

(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.

(2) The applicant has completed at least eight hours of continuing education as required under section 1321.536 of the Revised Code.

(3) The applicant meets the conditions set forth in divisions (A)(2) to (8) of this section.

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

(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.

(2) Division (C)(1) of this section shall not apply if the applicant, no later than the thirty-first day of January, submits the renewal application and fee, including any additional fee required by nationwide mortgage licensing system and registry, and a one-hundred-dollar penalty to the superintendent.

(D) Mortgage loan originator licenses issued on or after July 1, 2010, shall annually expire on the thirty-first day of December.

(E) If a renewal application does not contain all of the information required under this section, and if that information is not submitted to the superintendent or to the nationwide mortgage licensing system and registry within ninety days after the superintendent or the nationwide mortgage licensing system and registry requests the information in writing, including by electronic transmission or facsimile, the superintendent may consider the application withdrawn.

Sec. 1321.533. (A)(1) A registrant engaged in residential mortgage loan activity shall not conduct business in this state, unless the registrant ~~maintains the net worth and assets required under division (B) of section~~

~~1321.53 of the Revised Code~~ or 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.

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

(b) The bond shall be in the penal sum of one-half per cent of the aggregate loan amount of residential mortgage loans originated in the immediately preceding calendar year, but not exceeding one hundred fifty thousand dollars. Under no circumstances, however, shall the bond be less than 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.

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

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

(e) The bond shall be for the exclusive benefit of any borrower injured by a violation by an employee, licensee, or registrant of any provision of sections 1321.51 to 1321.60 of the Revised Code or the rules adopted thereunder.

(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.

(2) An individual licensed as a mortgage loan originator and employed or associated with an exempt entity as set forth in division (D) of section 1321.53 of the Revised Code shall not conduct business in this state, unless either the licensee or the exempt entity on the licensee's behalf 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.

(a) The bond shall be in favor of the superintendent.

(b) The bond shall be in the penal sum of one-half per cent of the aggregate loan amount of residential mortgage loans originated in the immediately preceding calendar year, but not exceeding one hundred thousand dollars. Under no circumstances, however, shall the bond be less than fifty thousand dollars.

(c) The term of the bond shall coincide with the term of licensure.

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

(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.

(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.

(g) Licensees covered by a corporate surety bond obtained by a registrant or exempt entity they are employed by or associated with shall not be required to obtain an individual bond.

(B)(1) The registrant or licensee shall give notice to the superintendent by certified mail of any action that is brought by a borrower against the licensee, registrant, or any mortgage loan originator of the registrant alleging injury by a violation of any provision of sections 1321.51 to 1321.60 of the Revised Code, and of any judgment that is entered against the licensee, registrant, or mortgage loan originator of the registrant by a borrower injured by a violation of any provision of sections 1321.51 to 1321.60 of the Revised Code. The notice shall provide details sufficient to identify the action or judgment, and shall be filed with the superintendent within ten days after the commencement of the action or notice to the registrant or licensee of entry of a judgment. An exempt entity securing bonding for the licensees in their employ shall report those actions by a borrower in the same manner as is required of registrants.

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

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

(D) The liability of the corporate surety on the bond to the superintendent and to any borrower injured by a violation of any provision of sections 1321.51 to 1321.60 of the Revised Code shall not be affected in any way by any misrepresentation, breach of warranty, or failure to pay the premium, by any act or omission upon the part of the registrant or licensee, by the insolvency or bankruptcy of the registrant or licensee, or by the insolvency of the registrant's or licensee's estate. The liability for any act or omission that occurs during the term of the corporate surety bond shall be maintained and in effect for at least two years after the date on which the corporate surety bond is terminated or canceled.

(E) The corporate surety bond shall not be canceled by the registrant, the licensee, or the corporate surety except upon notice to the superintendent

by certified mail, return receipt requested. The cancellation shall not be effective prior to thirty days after the superintendent receives the notice.

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

Sec. 1321.535. (A) Each applicant for a mortgage loan originator license shall submit to a written test that is developed and approved by the nationwide mortgage licensing system and registry and administered by a test provider approved by the nationwide mortgage licensing system and registry based upon reasonable standards.

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

(2) An individual shall not be considered to have passed the test unless the individual achieves a test score of at least seventy-five per cent correct answers on all questions and at least seventy-five per cent correct answers on all questions relating to Ohio mortgage lending laws and the Ohio consumer sales practices act, Chapter 1345. of the Revised Code, as it applies to registrants and licensees.

(3) An individual may retake the test three consecutive times provided the period between taking the tests is at least thirty days.

(4) After failing three consecutive tests, an individual shall be required to wait at least six months before taking the test again.

(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. For this purpose, any time during which the individual is a registered mortgage loan originator shall not be taken into account.

(B) Notwithstanding division (A) of this section, if the nationwide mortgage licensing system and registry fails to have in place a testing process that meets the criteria set forth in that division, the superintendent shall require, until that process is in place, evidence that the mortgage loan originator applicant passed a written test acceptable to the superintendent.

Sec. 1321.54. (A) The division of financial institutions may adopt, in accordance with Chapter 119. of the Revised Code, rules that are necessary for the enforcement or administration of sections 1321.51 to 1321.60 of the Revised Code and that are consistent with those sections and rules to carry out the purposes of those sections.

(B)(1) The division may, upon written notice to the registrant or

licensee stating the contemplated action, the grounds for the action, and the registrant's or licensee's reasonable opportunity to be heard on the action in accordance with Chapter 119. of the Revised Code, revoke, suspend, or refuse to renew any certificate or license issued under sections 1321.51 to 1321.60 of the Revised Code if it finds any of the following:

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

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

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

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

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

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

(C)(1) The superintendent of financial institutions may impose a fine for a violation of sections 1321.51 to 1321.60 of the Revised Code or any rule adopted thereunder. All fines collected pursuant to this section shall be paid to the treasurer of state to the credit of the consumer finance fund created in section 1321.21 of the Revised Code. In determining the amount of a fine to

be imposed pursuant to this section, the superintendent may consider all of the following to the extent it is known to the division of financial institutions:

- (a) The seriousness of the violation;
- (b) The registrant's or licensee's good faith efforts to prevent the violation;
- (c) The registrant's or licensee's history regarding violations and compliance with division orders;
- (d) The registrant's or licensee's financial resources;
- (e) Any other matters the superintendent considers appropriate in enforcing sections 1321.51 to 1321.60 of the Revised Code.

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

(D) The superintendent may investigate alleged violations of sections 1321.51 to 1321.60 of the Revised Code, or the rules adopted thereunder, or complaints concerning any such violation. The superintendent may make application to the court of common pleas for an order enjoining any violation and, upon a showing by the superintendent that a person has committed, or is about to commit, a violation, the court shall grant an injunction, restraining order, or other appropriate relief. The superintendent, in making application to the court of common pleas for an order enjoining a person from acting as a registrant or mortgage loan originator in violation of division (A) or (E) of section 1321.52 of the Revised Code, may also seek and obtain civil penalties for that unregistered or unlicensed conduct in an amount not to exceed five thousand dollars per violation.

(E) In conducting an investigation pursuant to this section, the superintendent may compel, by subpoena, witnesses to testify in relation to any matter over which the superintendent has jurisdiction, and may require the production or photocopying of any book, record, or other document pertaining to such matter. If a person fails to file any statement or report, obey any subpoena, give testimony, produce any book, record, or other document as required by such a 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.

(F) 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 1321.51 to 1321.60 of the Revised Code or the rules adopted thereunder, the superintendent may, after notice and a hearing conducted in accordance with Chapter 119. of the Revised Code, issue a cease and desist order. The superintendent, in taking administrative action to enjoin a person from acting as a registrant or mortgage loan originator in violation of division (A) or (E) of section 1321.52 of the Revised Code, may also seek and impose fines for those violations in an amount not to exceed five thousand dollars per violation. Such an order shall be enforceable in the court of common pleas.

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

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

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

(b) Suspend the certificate of registration or license of a person who violates division (F) of section 1321.533 of the Revised Code;

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

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

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

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

(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.

(C)(1) The following information is confidential:

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

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

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

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

(E) This section does not prevent the division of financial institutions from releasing to or exchanging with other financial institution regulatory

authorities information relating to registrants and licensees. For this purpose, a "financial institution regulatory authority" includes a regulator of a business activity in which a registrant or licensee is engaged, or has applied to engage in, to the extent that the regulator has jurisdiction over a registrant or licensee engaged in that business activity. A registrant or licensee is engaged in a business activity, and a regulator of that business activity has jurisdiction over the registrant or licensee, whether the registrant or licensee conducts the activity directly or a subsidiary or affiliate of the registrant or licensee conducts the activity.

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

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

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

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

(3) Any state law, including section 149.43 of the Revised Code, relating to the disclosure of confidential supervisory information or any information or material described in division (C)(1) or (E)(1) of this section that is inconsistent with this section shall be superseded by the requirements of this section.

(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.

(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.

(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.

(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:

(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;

(2) Withhold, abstract, remove, mutilate, destroy, or secrete any books, records, computer records, or other information;

(3) Tamper with, alter, or manufacture any evidence.

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

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

(C) No registrant shall refuse to provide information regarding the

amount required to pay in full a loan under sections 1321.51 to 1321.60 of the Revised Code when requested by the borrower or by another person designated in writing by the borrower.

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

(E) No registrant or licensee shall obtain a certificate of registration or license through any false or fraudulent representation of a material fact or any omission of a material fact required by state or federal law, or make any substantial misrepresentation in the registration or license application, to engage in lending secured by real estate.

(F) No registrant or licensee, in connection with the business of making or offering to make residential mortgage loans, shall knowingly make false or misleading statements of a material fact, omissions of statements required by state or federal law, or false promises regarding a material fact, through advertising or other means, or engage in a continued course of misrepresentations.

(G) No registrant, licensee, or person making loans without a certificate of registration in violation of division (A) of section 1321.52 of the Revised Code, shall knowingly engage in conduct, in connection with the business of making or offering to make residential mortgage loans, that constitutes improper, fraudulent, or dishonest dealings.

(H) No registrant, licensee, or applicant involved in the business of making or offering to make residential mortgage loans shall fail to notify the division of financial institutions within thirty days after knowing any of the following:

(1) That the registrant, licensee, or applicant has been convicted of or pleaded guilty or nolo contendere to a felony offense in a domestic, foreign, or military court;

(2) That the registrant, licensee, or applicant has been convicted of or pleaded guilty or nolo contendere to any criminal offense involving theft, receiving stolen property, embezzlement, forgery, fraud, passing bad checks, money laundering, breach of trust, dishonesty, or drug trafficking, or any criminal offense involving money or securities, in a domestic, foreign, or military court;

(3) That the registrant, licensee, or applicant has had a mortgage lender registration or mortgage loan originator license, or comparable authority,

revoked in any governmental jurisdiction.

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

(J) No registrant or licensee shall knowingly instruct, solicit, propose, or otherwise cause a borrower to sign in blank a loan related document in connection with a residential mortgage loan.

(K) No registrant or licensee shall knowingly compensate, instruct, induce, coerce, or intimidate, or attempt to compensate, 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 willfully 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, in connection with making residential mortgage loans, 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, in connection with making residential mortgage loans, 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. Nothing in this division shall prevent remuneration to a registrant or licensee for the licensed sale of any insurance product that is permitted under section 1321.57 of the Revised Code, provided there is no additional fee or premium added to the cost for the insurance and paid directly or indirectly by the borrower.

(O) No registrant, licensee, or person making loans without a certificate of registration in violation of division (A) of section 1321.52 of the Revised Code shall, in connection with making or offering to make residential mortgage loans, engage in any unfair, deceptive, or unconscionable act or practice prohibited under sections 1345.01 to 1345.13 of the Revised Code.

Sec. 1322.01. As used in sections 1322.01 to 1322.12 of the Revised Code:

(A) "Buyer" means an individual who is solicited to purchase or who purchases the services of a mortgage broker for purposes of obtaining a residential mortgage loan.

(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.

(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. "Employee" also includes any individual who acts as a loan originator or operations manager of a registrant, but for whom the registrant is prevented by law from making income tax withholdings.

(D) "Licensee" means any individual who has been issued a loan originator license under sections 1322.01 to 1322.12 of the Revised Code.

(E)(1) "Loan originator" means an individual who for compensation or gain, or in anticipation of compensation or gain, does any of the following:

(a) Takes or offers to take a residential mortgage loan application;

(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;

(c) Offers or negotiates terms of a residential mortgage loan;

(d) Issues or offers to issue a commitment for a residential mortgage loan to a buyer.

(2) "Loan originator" does not include any of the following:

(a) An individual who performs purely administrative or clerical tasks on behalf of a loan originator;

(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;

(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, 2009;

(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;

(e) A mortgage loan originator licensed under sections 1321.51 to 1321.60 of the Revised Code, when acting solely under that authority;

(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;

(g) Any person engaged in the retail sale of manufactured homes, mobile homes, or industrialized units 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:

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

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

(iii) Receive any payment or fee from any company or individual for assisting the borrower obtain or apply for financing to purchase the manufactured home, mobile home, or industrialized unit;

(iv) Assist the borrower in completing a residential mortgage loan application.

(h) An individual employed by a nonprofit organization that is recognized as tax exempt under 26 U.S.C. 501(c)(3) and whose primary activity is the construction, remodeling, or rehabilitation of homes for use by low-income families, provided that the nonprofit organization makes no-profit mortgage loans or mortgage loans at zero per cent interest to low-income families and no fees accrue directly to the nonprofit organization or individual employed by the nonprofit organization from those mortgage loans and that the United States department of housing and urban development does not deny this exemption.

(F) "Mortgage" means any indebtedness secured by a deed of trust, security deed, or other lien on real property.

(G)(1) "Mortgage broker" means any of the following:

(a) 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;

(b) A person that solicits financial and mortgage information from the public, provides that information to a mortgage broker or a person that makes residential mortgage loans, and charges or receives from either of them money or other valuable consideration readily convertible into money for providing the information;

(c) A person engaged in table-funding or warehouse-lending mortgage

loans that are first lien residential mortgage loans.

(2) "Mortgage broker" does not include any of the following persons only with respect to business engaged in or authorized by the person's charter, license, authority, approval, or certificate, or as otherwise authorized by division (G)(2)(h) of this section:

(a) A person that makes residential mortgage loans and receives a scheduled payment on each of those mortgage loans;

(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;

(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;

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

(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;

(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.

(g) Any person engaged in the retail sale of manufactured homes, mobile homes, or industrialized units 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:

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

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

(iii) Receive any payment or fee from any company or individual for assisting the borrower obtain or apply for financing to purchase the manufactured home, mobile home, or industrialized unit;

(iv) Assist the borrower in completing the residential mortgage loan application.

(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 sells residential mortgage loans secured by a first lien, that underwrites the loans, and that meets at least one of the following criteria:

(i) The person has been directly approved by the United States department of housing and urban development as a nonsupervised mortgagee with participation in the direct endorsement program. Division (G)(2)(h)(i) of this section includes a person that has been directly approved by the United States department of housing and urban development as a nonsupervised mortgagee with participation in the direct endorsement program 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 United States department of housing and urban development. Division (G)(2)(h)(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 (G)(2)(h)(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 (G)(2)(h)(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 (G)(2)(h)(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.

(i) A nonprofit organization that is recognized as tax exempt under 26

U.S.C. 501(c)(3) and whose primary activity is the construction, remodeling, or rehabilitation of homes for use by low-income families, provided that the nonprofit organization makes no-profit mortgage loans or mortgage loans at zero per cent interest to low-income families and no fees accrue directly to the nonprofit organization from those mortgage loans and that the United States department of housing and urban development does not deny this exemption.

(j) A credit union service organization, provided that the organization utilizes services provided by registered loan originators or that it holds a valid letter of exemption issued by the superintendent under section 1322.023 of the Revised Code and complies with that section.

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

(I) "Registered loan originator" means an individual to whom both of the following apply:

(1) The individual is a loan originator and an employee of a depository institution, a subsidiary that is owned and controlled by a depository institution and regulated by a federal banking agency, or an institution regulated by the farm credit administration.

(2) The individual is registered with, and maintains a unique identifier through, the nationwide mortgage licensing system and registry.

(J) "Registrant" means any person that has been issued a mortgage broker certificate of registration under sections 1322.01 to 1322.12 of the Revised Code.

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

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

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

(N) "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.

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

(P) "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.

(Q) "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.

(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.

(S) "Individual" means a natural person.

(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 licensed loan originator or registered loan originator. For purposes of this division, to "perform clerical or support duties" ~~includes means to do all of the following activities:~~

(1) ~~The receipt~~ Receiving, collection ~~collecting, distribution~~ distributing, and ~~analysis of~~ analyzing information common for the processing or underwriting of a residential mortgage loan;

(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.

(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.

(V) "Nontraditional mortgage product" means any mortgage product

other than a thirty-year fixed rate mortgage.

(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:

(1) Acting as a real estate agent or real estate broker for a buyer, seller, lessor, or lessee of real property;

(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;

(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;

(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;

(5) Offering to engage in any activity, or to act in any capacity, described in division (W) of this section.

(X) "Residential mortgage loan" means any loan primarily for personal, family, or household use that is secured by a mortgage or other equivalent consensual security interest 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 section 103 of the "Truth in Lending Act," 82 Stat. 146, 15 U.S.C 1602.

(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 islands, the virgin islands, and the northern Mariana islands;

(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.

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.

(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.

(B)(1) No individual shall act as a loan originator without first having obtained a license from the superintendent. A loan originator shall be employed by or associated with a mortgage broker or any person or entity listed in division (G)(2) of section 1322.01 of the Revised Code, but shall not be employed by or associated with more than one mortgage broker or person or entity at any one time.

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

(C)(1) ~~Each licensee~~ No person acting as a mortgage broker or loan originator shall fail to register with, and maintain a valid unique identifier issued by, the nationwide mortgage licensing system and registry.

(2) No person shall use a ~~licensee's~~ mortgage broker's or loan originator'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 had a mortgage banker license, mortgage broker certificate of registration, or loan originator license, or any comparable authority, revoked in any governmental

jurisdiction;

(b) That the mortgage banker and its owners, officers, or partners identified in division (A)(2) of this section have not been convicted of, or pleaded guilty or nolo contendere to, any of the following in a domestic, foreign, or military court:

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

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

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

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

(5) An acknowledgment of understanding that the mortgage banker is subject to the regulatory authority of the division of financial institutions as provided in this section;

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

(B)(1) If the superintendent determines that the mortgage banker honestly made the attestation required under division (A)(3) of this section and otherwise qualifies for exemption, the superintendent shall issue a letter of exemption. Additional certified copies of a letter of exemption shall be provided upon request and the payment of seventy-five dollars per copy.

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

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

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

(2) The mortgage banker shall have an affirmative duty to supervise the conduct of its loan originators, and to cooperate with investigations by the

division with respect to that conduct, in the same manner as is required of registrants.

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

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

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

(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.

(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.

(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.

(H) A mortgage banker that holds a valid letter of exemption, and any licensee employed by the mortgage banker, shall not be required to comply with section 1322.062 of the Revised Code with respect to any transaction covered under the authority of an approval described in division (G)(2)(h) of section 1322.01 of the Revised Code. Compliance shall be required, however, with respect to transactions not covered under the authority of an approval described in that division.

Sec. 1322.023. (A) A credit union service organization seeking exemption from registration pursuant to division (G)(2)(j) 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 organization. The application shall be in a form prescribed by the superintendent and shall include all of the following:

(1) The organization's business name and state of incorporation;

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

(3) An attestation to all of the following:

(a) That the organization and its owners, officers, or partners identified in division (A)(2) of this section have not had a mortgage broker certificate of registration or loan originator license, or any comparable authority, revoked in any governmental jurisdiction;

(b) That the organization and its owners, officers, or partners identified in division (A)(2) of this section have not been convicted of, or pleaded guilty or nolo contendere to, any of the following in a domestic, foreign, or military court:

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

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

(c) That, with respect to financing residential mortgage loans, the organization conducts business with residents of this state or secures its loans with property located in this state.

(4) The names of all loan originators or licensees under the organization's control and direction;

(5) An acknowledgment of understanding that the organization is subject to the regulatory authority of the division of financial institutions;

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

(B)(1) If the superintendent determines that the credit union service organization honestly made the attestation required under division (A)(3) of this section and otherwise qualifies for exemption, the superintendent shall issue a letter of exemption. Additional certified copies of a letter of exemption shall be provided upon request and the payment of seventy-five dollars per copy.

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

(C) All of the following conditions apply to any credit union service organization holding a valid letter of exemption:

(1) The organization shall be subject to examination in the same manner as a registrant with respect to the conduct of the organization's loan originators. In conducting any out-of-state examination, the organization



shall be responsible for paying the costs of the division in the same manner as a registrant.

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

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

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

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

(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 credit union service organization shall be given an opportunity for a hearing in accordance with Chapter 119. of the Revised Code.

(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.

(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.

Sec. 1322.03. (A) An application for a certificate of registration as a mortgage broker shall be in writing, under oath, and in the form prescribed by the superintendent of financial institutions. The application shall be accompanied by a nonrefundable application fee of five hundred dollars for each location of an office to be maintained by the applicant in accordance with division (A) of section 1322.02 of the Revised Code and any additional fee required by the nationwide mortgage licensing system and registry. The application shall provide all of the following:

(1) The location or locations where the business is to be transacted and whether any location is a residence. If any location where the business is to be transacted is a residence, the superintendent may require that the

application be accompanied by a copy of a zoning permit authorizing the use of the residence for commercial purposes, or by a written opinion or other document issued by the county or political subdivision where the residence is located certifying that the use of the residence to transact business as a mortgage broker is not prohibited by the county or political subdivision.

(2)(a) In the case of a sole proprietor, the name and address of the sole proprietor;

(b) In the case of a partnership, the name and address of each partner;

(c) In the case of a corporation, the name and address of each shareholder owning five per cent or more of the corporation;

(d) In the case of any other entity, the name and address of any person that owns five per cent or more of the entity that will transact business as a mortgage broker.

(3) Each applicant 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 be licensed as a loan originator under sections 1322.01 to 1322.12 of the Revised Code and shall not be employed by any other mortgage broker.

(4) Evidence that the person designated on the application pursuant to division (A)(3) of this section possesses at least three years of experience in the residential mortgage and lending field, which experience may include employment with or as a mortgage broker or with a depository institution, mortgage lending institution, or other lending institution, or possesses at least three years of other experience related specifically to the business of residential mortgage loans that the superintendent determines meets the requirements of division (A)(4) of this section;

(5) Evidence that the person designated on the application pursuant to division (A)(3) of this section has successfully completed the pre-licensing instruction requirements set forth in section 1322.031 of the Revised Code;

(6) Evidence of compliance with the surety bond requirements of section 1322.05 of the Revised Code and with sections 1322.01 to 1322.12 of the Revised Code;

(7) In the case of a foreign business entity, evidence that it maintains a license or registration pursuant to Chapter 1703., 1705., 1775., 1776., 1777., 1782., or 1783. of the Revised Code to transact business in this state;

(8) Evidence that the applicant's operations manager has successfully completed the written test required under division (A) of section 1322.051 of the Revised Code;

(9) Any further information that the superintendent requires.

(B) Upon the filing of the application and payment of the nonrefundable application fee and any fee required by the nationwide mortgage licensing system and registry, the superintendent of financial institutions shall investigate the applicant, and any individual whose identity is required to be disclosed in the application, as set forth in division (B) 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.

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

(2) The superintendent shall conduct a civil records check.

(3) If, in order to issue a certificate of registration to an applicant, additional investigation by the superintendent outside this state is necessary, the superintendent may require the applicant to advance sufficient funds to pay the actual expenses of the investigation, if it appears that these expenses will exceed five hundred dollars. The superintendent shall provide the applicant with an itemized statement of the actual expenses that the applicant is required to pay.

(C) The superintendent shall pay all funds advanced and application and renewal fees and penalties the superintendent receives pursuant to this section and section 1322.04 of the Revised Code to the treasurer of state to the credit of the consumer finance fund created in section 1321.21 of the Revised Code.

(D) If an application for a mortgage broker certificate of registration does not contain all of the information required under division (A) of this section, and if that information is not submitted to the superintendent or to the nationwide mortgage licensing system and registry within ninety days after the superintendent or the nationwide mortgage licensing system and registry requests the information in writing, including by electronic transmission or facsimile, the superintendent may consider the application

withdrawn.

(E) A mortgage broker certificate of registration and the authority granted under that certificate is not transferable or assignable and cannot be franchised by contract or any other means.

(F) The registration requirements of this chapter apply to any person acting as a mortgage broker, and no person is exempt from the requirements of this chapter on the basis of prior work or employment as a mortgage broker.

(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.

Sec. 1322.031. (A) An application for a license as a loan originator shall be in writing, under oath, and in the form prescribed by the superintendent of financial institutions. The application shall be accompanied by a nonrefundable application fee of one hundred fifty dollars and any additional fee required by the nationwide mortgage licensing system and registry.

(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 of all of the following:

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

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

(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, as determined by the superintendent, that the applicant has successfully completed at least twenty-four hours of instruction in a course or program of study approved by the superintendent that consists of at least all of the following:

(a) Four hours of instruction concerning state and federal mortgage lending laws, which shall include no less than two hours on this chapter;

(b) Four hours of instruction concerning the Ohio consumer sales practices act, Chapter 1345. of the Revised Code, as it applies to registrants

and licensees;

(c) Four hours of instruction concerning the loan application process;

(d) Two hours of instruction concerning the underwriting process;

(e) Two hours of instruction concerning the secondary market for mortgage loans;

(f) Four hours of instruction concerning the loan closing process;

(g) Two hours of instruction covering basic mortgage financing concepts and terms;

(h) Two hours of instruction concerning the ethical responsibilities of a registrant and a licensee, including with respect to confidentiality, consumer counseling, and the duties and standards of care created in section 1322.081 of the Revised Code.

(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.

(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. For this purpose, any time during which the individual is a registered loan originator shall not be taken into account.

(5) A person having successfully completed the pre-licensing education requirement 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 requirement of this state.

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

(1) Evidence that the applicant passed a written test that meets the requirements described in division (B) of section 1322.051 of the Revised Code;

(2) Any further information that the superintendent requires.

(D) Upon the filing of the application and payment of the application fee and any fee required by the nationwide mortgage licensing system and registry, the superintendent of financial institutions shall investigate the applicant as set forth in division (D) 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 the 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.

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

(2) The superintendent shall conduct a civil records check.

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

(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:

(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;

(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:

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

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

(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 distributing information to any source related to matters subject to those

divisions of this section.

(F) The superintendent shall pay all funds advanced and application and renewal fees and penalties the superintendent receives pursuant to this section and section 1322.041 of the Revised Code to the treasurer of state to the credit of the consumer finance fund created in section 1321.21 of the Revised Code.

(G) If an application for a loan originator license does not contain all of the information required under this section, and if that information is not submitted to the superintendent or to the nationwide mortgage licensing system and registry within ninety days after the superintendent or the nationwide mortgage licensing system and registry requests the information in writing, including by electronic transmission or facsimile, the superintendent may consider the application withdrawn.

(H)(1) The business of a loan originator shall principally be transacted at an office of the mortgage broker with whom the licensee is employed or associated, which office is registered in accordance with division (A) of section 1322.02 of the Revised Code. Each original loan originator license shall be deposited with and maintained by the mortgage broker at the mortgage broker's main office. A copy of the license shall be maintained and displayed at the office where the loan originator principally transacts business.

(2) If a loan originator's employment or association is terminated for any reason, the mortgage broker shall return the original loan originator license to the superintendent within five business days after the termination. The licensee may request the transfer of the license to another mortgage broker by submitting a transfer application, along with a fifteen dollar fee and any fee required by the national mortgage licensing system and registry, to the superintendent or may request the superintendent in writing to hold the license in escrow. Any licensee whose license is held in escrow shall cease activity as a loan originator. A licensee whose license is held in escrow shall be required to apply for renewal annually and to comply with the annual continuing education requirement.

(3) A mortgage broker may employ or be associated with a loan originator on a temporary basis pending the transfer of the loan originator's license to the mortgage broker, if the mortgage broker receives written confirmation from the superintendent that the loan originator is licensed under sections 1322.01 to 1322.12 of the Revised Code.

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

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

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

(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.

(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.

(J) A loan originator license, or the authority granted under that license, is not assignable and cannot be franchised by contract or any other means.

Sec. 1322.04. (A) Upon the conclusion of the investigation required under division (B) of section 1322.03 of the Revised Code, the superintendent of financial institutions shall issue a certificate of registration to the applicant if the superintendent finds that the following conditions are met:

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

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



used to pay the fee or penalty is returned to the superintendent for insufficient funds, the application shall be withdrawn.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) The renewal application is accompanied by a nonrefundable renewal fee of five hundred dollars for each location of an office to be maintained by the applicant in accordance with division (A) of section 1322.02 of the Revised Code and any fee required by the nationwide mortgage licensing system and registry. If a check or other draft instrument is returned to the superintendent for insufficient funds, the superintendent shall notify the registrant by certified mail, return receipt requested, that the certificate of registration renewed in reliance on the check or other draft instrument will be canceled unless the registrant, within thirty days after receipt of the

notice, submits the renewal fee and a one-hundred-dollar penalty to the superintendent. If the registrant does not submit the renewal fee and penalty within that time period, or if any check or other draft instrument used to pay the fee or penalty is returned to the superintendent for insufficient funds, the certificate of registration shall be canceled immediately without a hearing and the registrant shall cease activity as a mortgage broker.

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

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

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

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

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

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

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

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

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

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

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

Sec. 1322.041. (A) Upon the conclusion of the investigation required under division (D) of section 1322.031 of the Revised Code, the superintendent of financial institutions shall issue a loan originator license to the applicant if the superintendent finds that the following conditions are met:

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

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

(b) If a check or other draft instrument is returned to the superintendent for insufficient funds after the 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 loan originator.

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

~~(3)(a) During the seven-year period immediately preceding the date of application for the license, the~~ The applicant has not been convicted of or pleaded guilty or nolo contendere to any ~~felony or a misdemeanor involving theft of the following~~ in a domestic, foreign, or military court.;

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

~~(b) At any time prior to the date the application for the license is approved, the applicant has not been convicted of or pleaded guilty to a felony involving an act of fraud, dishonesty, a breach of trust, theft, or money laundering in a domestic, foreign, or military court.~~

(4) Based on the totality of the circumstances and information submitted

in the application, the applicant has proven to the superintendent, by a preponderance of the evidence, that the applicant is of good business repute, appears qualified to act as a loan originator, has fully complied with sections 1322.01 to 1322.12 of the Revised Code and the rules adopted thereunder, and meets all of the conditions for issuing a loan originator license.

(5) The applicant successfully completed the written test required under division (B) of section 1322.051 of the Revised Code and completed the prelicensing instruction set forth in division (B) of section 1322.031 of the Revised Code.

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

(7) The applicant is in compliance with the surety bond requirements of section 1322.05 of the Revised Code.

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

(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:

(1) The renewal application is accompanied by a nonrefundable renewal fee of one hundred fifty dollars and any fee required by the nationwide mortgage licensing system and registry. If a check or other draft instrument is returned to the superintendent for insufficient funds, the superintendent shall notify the 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 loan originator.

(2) The applicant has completed at least eight hours of continuing education as required under section 1322.052 of the Revised Code.

(3) The applicant meets the conditions set forth in divisions (A)(2) to (8) of this section; provided, however, that an applicant who was issued a loan officer license prior to January 1, 2010, and has continuously maintained

that license shall not be required to meet the condition described in division (B)(1)(b) of section 1322.031 of the Revised Code.

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

(C)(1) Subject to division (C)(2) of this section, if a license renewal application or renewal fee, including any fee required by the 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 loan originator.

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

(D) Loan originator licenses issued on or after May 1, 2010, annually expire on the thirty-first day of December.

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

- (a) The name, address, and telephone number of the buyer;
- (b) The typewritten name of the loan originator and the number designated on the loan originator's license;
- (c) The street address, telephone number, and facsimile number of the registrant and the number designated on the registrant's certificate of registration;
- (d) The signature of the loan originator or registrant;
- (e) A statement indicating whether the buyer is to pay for the services of a bona fide third party if the registrant is unable to assist the buyer in obtaining a mortgage;
- (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;
- (g) A statement that the lender may pay compensation to the registrant;
- (h) A description of all the services the registrant has agreed to perform for the buyer;
- (i) A statement that the buyer has not entered into an exclusive agreement for brokerage services;
- (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."

(k) To acknowledge receipt, the signature of the buyer.

(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.

(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.

(C) A registrant or licensee shall deliver to the buyer, immediately upon receipt, a copy of any nonproprietary or publicly available credit score and report obtained regarding the buyer by the registrant or licensee for the purpose of the residential mortgage loan application.

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

(D) A registrant or licensee shall deliver to the buyer, at the same time that the registrant or licensee delivers the residential mortgage loan origination disclosure statement pursuant to division (A) of this section, both of the following documents:

(1) A good faith estimate statement that discloses the amount of or range of charges for the specific settlement services the buyer is likely to incur in connection with the residential mortgage loan. The good faith estimate statement shall meet the requirements of the "Real Estate Settlement Procedures Act," 88 Stat. 1724 (1974), 12 U.S.C.A. 2601 et seq.; and shall include the following

(2) An underlined notice in at least ten-point type, new roman style, as follows:

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

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

1. The loan closes.
2. The request is denied.
3. The borrower withdraws the request.

4. The borrower decides to use another source for origination.

5. The borrower is provided a revised good faith estimate statement.

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 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 redisclosure must occur prior to the settlement or close of escrow."

(E) No registrant or licensee shall fail to comply with this section.

Sec. 1322.07. No registrant, licensee, person required to be registered or licensed under sections 1322.01 to 1322.12 of the Revised Code, or individual disclosed in an application as required by division (A)(2) of section 1322.03 of the Revised Code shall do any of the following:

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

(B) Make false or misleading statements of a material fact, omissions of statements required by state or federal law, or false promises regarding a material fact, through advertising or other means, or engage in a continued course of misrepresentations;

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

(D) Fail to notify the division of financial institutions within thirty days after any of the following:

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

(2) Being convicted of or pleading guilty or nolo contendere to any criminal offense involving theft, receiving stolen property, embezzlement, forgery, fraud, passing bad checks, money laundering, breach of trust, dishonesty, or drug trafficking, or any criminal offense involving money or securities, in a domestic, foreign, or military court;

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



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

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

(G) Knowingly compensate, instruct, induce, coerce, or intimidate, or attempt to compensate, instruct, induce, coerce, or intimidate, a person licensed or certified 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;

(H) Promise to refinance a loan in the future at a lower interest rate or with more favorable terms, unless the promise is set forth in writing and is initialed by the buyer;

(I) Engage in any unfair, deceptive, or unconscionable act or practice prohibited under sections 1345.01 to 1345.13 of the Revised Code.

Sec. 1322.074. (A) Except as otherwise provided in division (B) of this section, no registrant, or any member of the immediate family of an owner of a registrant, shall own or control a majority interest in an appraisal company.

(B) Division (A) of this section shall not apply to any registrant, or any member of the immediate family of an owner of a registrant, who, on ~~the effective date of this amendment~~ January 1, 2010, directly or indirectly owns or controls a majority interest in an appraisal company. However, such ownership or control is subject to the following conditions:

(1) The registrant and members of the immediate family of an owner of a registrant shall not increase their interest in the company.

(2) The interest is not transferable to a member of the immediate family of an owner of a registrant.

(3) If the registrant is convicted of or pleads guilty or nolo contendere to a criminal violation of sections 1322.01 to 1322.12 of the Revised Code or any criminal offense described in division (A)(1)(b) of section 1322.10 of the Revised Code, the superintendent of financial institutions may, in addition to any of the actions authorized under section 1322.10 of the Revised Code, order the registrant or members of the immediate family of an owner of a registrant to divest their interest in the company.

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:

(1) Suspend, revoke, or refuse to issue or renew a certificate of registration or license if the superintendent finds any of the following:

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

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

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

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

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

(a) The seriousness of the violation;

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

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

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

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

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

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

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

(C) In conducting any investigation pursuant to this section, the superintendent may compel, by subpoena, witnesses to testify in relation to any matter over which the superintendent has jurisdiction and may require the production of any book, record, or other document pertaining to that matter. If a person fails to file any statement or report, obey any subpoena, give testimony, produce any book, record, or other document as required by a 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. If the administrative action is to enjoin a person from acting as a mortgage broker or loan originator in violation of division (A) or (B) of section 1322.02 of the Revised Code, the superintendent may seek and impose fines for that conduct in an amount not to exceed five thousand dollars per violation. Such an order shall be enforceable in the court of common pleas.

(E) If the superintendent revokes a mortgage broker certificate of registration or loan originator license, 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 or nolo contendere 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;

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

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

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

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

Sec. 1322.99. (A) Whoever violates division (A)(1) or (2) of section 1322.02, division (E), (F), or (G) of section 1322.07, division (B)(1) or (2) of section 1322.071, or section 1322.08 of the Revised Code is guilty of a felony of the fifth degree.

(B) Whoever violates division (B)(3) of section 1322.071 of the Revised Code is guilty of a felony of the fourth degree.

(C) Whoever violates division (B) or (C)(1) or (2) of section 1322.02 of the Revised Code is guilty of a misdemeanor of the first degree.

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

(1) "Discount points" means any charges, whether or not actually denominated as "discount points," that are paid by the seller or the buyer of residential real property to a residential mortgage lender or that are deducted and retained by a residential mortgage lender from the proceeds of the residential mortgage. "Discount points" does not include the costs associated with settlement services as defined in the "Real Estate Settlement Procedures Act of 1974," 88 Stat. 1724, 12 U.S.C. 2601, amendments 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 ~~originator~~ officer, 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 ~~originators~~ officers, 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, governmental subdivision or agency, business trust, estate, trust, partnership, association, cooperative, or other legal entity.

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

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

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

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

(G) "Public telecommunications service" means the transmission by electromagnetic or other means, other than by a telephone company as defined in section 4927.01 of the Revised Code, of signs, signals, writings, images, sounds, messages, or data originating in this state regardless of actual call routing. "Public telecommunications service" excludes a system, including its construction, maintenance, or operation, for the provision of telecommunications service, or any portion of such service, by any entity for the sole and exclusive use of that entity, its parent, a subsidiary, or an affiliated entity, and not for resale, directly or indirectly; the provision of terminal equipment used to originate telecommunications service; broadcast transmission by radio, television, or satellite broadcast stations regulated by

the federal government; or cable television service.

~~(H)(1) "Loan originator officer" has the same meaning~~ means an individual who for compensation or gain, or in anticipation of compensation or gain, takes or offers to take a residential mortgage loan application; 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; offers or negotiates terms of a residential mortgage loan; or issues or offers to issue a commitment for a residential mortgage loan. "Loan officer" also includes a loan originator as defined in division (E)(1) of section 1322.01 of the Revised Code, and includes a "mortgage loan originator" as defined in section 1321.51 of the Revised Code, except that it.

(2) "Loan officer" does not include an employee of 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; an employee of a subsidiary of such a bank, savings bank, savings and loan association, or credit union; or an employee of an affiliate that (1)(a) controls, is controlled by, or is under common control with, such a bank, savings bank, savings and loan association, or credit union and (2)(b) 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.

(I) "Residential mortgage" or "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.

~~(J)(1) "Mortgage broker" has the same meaning as in section 1322.01 of the Revised Code, except that it~~ means any of the following:

(a) 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;

(b) A person that solicits financial and mortgage information from the public, provides that information to a mortgage broker or a person that makes residential mortgage loans, and charges or receives from either of them money or other valuable consideration readily convertible into money for providing the information;

(c) A person engaged in table-funding or warehouse-lending mortgage loans that are residential mortgage loans.

(2) "Mortgage broker" does not include 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; an affiliate that ~~(1)(a)~~ controls, is controlled by, or is under common control with, such a bank, savings bank, savings and loan association, or credit union and ~~(2)(b)~~ 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 shares of any class of voting securities of the other entity, directly or indirectly or acting through one or more other persons.

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

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

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

(2) Adopt as a rule a description of the organization of the attorney general's office, stating the general courses and methods of operation of the section of the office of the attorney general, which is to administer Chapter 1345. of the Revised Code and methods whereby the public may obtain



information or make submissions or requests, including a description of all forms and instructions used by that office;

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

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

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

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

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

(B) The attorney general may:

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

(2) Adopt, amend, and repeal substantive rules defining with reasonable specificity acts or practices that violate sections 1345.02, 1345.03, and 1345.031 of the Revised Code. In adopting, amending, or repealing substantive rules defining acts or practices that violate section 1345.02 of

the Revised Code, due consideration and great weight shall be given to federal trade commission orders, trade regulation rules and guides, and the federal courts' interpretations of subsection 45(a)(1) of the "Federal Trade Commission Act," 38 Stat. 717 (1914), 15 U.S.C.A. 41, as amended.

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

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

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

(E) Any person may petition the attorney general requesting the adoption, amendment, or repeal of a rule. The attorney general shall prescribe by rule the form for such petitions and the procedure for their submission, consideration, and disposition. Within sixty days of submission of a petition, the attorney general shall either deny the petition in writing, stating the reasons for the denial, or initiate rule-making proceedings. There is no right to appeal from such denial of a petition.

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

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

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

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

(B) Where the violation was an act or practice declared to be deceptive or unconscionable by rule adopted under division (B)(2) of section 1345.05 of the Revised Code before the consumer transaction on which the action is based, or an act or practice determined by a court of this state to violate section 1345.02, 1345.03, or 1345.031 of the Revised Code and committed after the decision containing the determination has been made available for public inspection under division (A)(3) of section 1345.05 of the Revised Code, the consumer may rescind the transaction or recover, but not in a class action, three times the amount of the consumer's actual economic damages or two hundred dollars, whichever is greater, plus an amount not exceeding five thousand dollars in noneconomic damages or recover damages or other appropriate relief in a class action under Civil Rule 23, as amended.

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

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

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

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

judgment including supporting opinions to the attorney general for inclusion in the public file maintained under division (A)(3) of section 1345.05 of the Revised Code.

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

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

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

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

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

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

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

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

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

(C)(1) The superintendent of financial institutions may initiate criminal

proceedings under this section by presenting any evidence of criminal violations to the prosecuting attorney of the county in which the offense may be prosecuted. If the prosecuting attorney does not prosecute the violations, or at the request of the prosecuting attorney, the superintendent shall present any evidence of criminal violations to the attorney general, who may proceed in the prosecution with all the rights, privileges, and powers conferred by law on prosecuting attorneys, including the power to appear before grand juries and to interrogate witnesses before such grand juries. These powers of the attorney general shall be in addition to any other applicable powers of the attorney general.

(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 ~~originator~~ officer," "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 ~~originators~~ officers, 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;

(b) That specific acts or practices by a loan ~~originator~~ officer, mortgage broker, or nonbank mortgage lender violate section 1345.02, 1345.03, or

1345.031 of the Revised Code.

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

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

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

Sec. 1541.083. The chief of the division of parks and recreation, with the approval of the director of natural resources, the attorney general, and the governor, may make leases to parties making application ~~therefor~~ for leases granting permission to take and remove halite from beneath the surface of Headlands state park in Lake county, and coal by underground mining methods from beneath the surface of Jefferson state park in Jefferson county and from beneath the surface of Burr Oak state park in Athens and Morgan counties pursuant to lease agreements and real estate transactions that have been entered into not later than January 1, 2011, if ~~he~~ the chief finds that such taking and removal will in no way affect the surface of the land or the use ~~thereof~~ of the land as a public park. As the chief deems in the best interest of the state, ~~such~~ those leases may be made either upon a royalty or rental basis, and may be either for a term of years or until the economic extraction of the mineral covered ~~thereby~~ by the lease has been completed. Upon request from the lessee of any such lease, the chief may consent to its cancellation, but any equipment or improvement thereon owned by the lessee may be held as security by the chief for payment of all rentals, royalties, and damages due the state at the time of cancellation.

Sec. 1733.252. (A) As used in this section, "nationwide mortgage licensing system and registry" has the same meaning as in section 1322.01 of the Revised Code.

(B) Subject to division (C) of this section, each credit union, the subsidiaries of the credit union, and the loan originators employed by the credit union, shall comply with the "Secure and Fair Enforcement for Mortgage Licensing Act of 2008," 122 Stat. 2810, 12 U.S.C. 5101, and register with the nationwide mortgage licensing system and registry.

(C) ~~Compliance~~ Unless otherwise preempted by federal law, compliance by a credit union insured by a credit union share guaranty corporation established under Chapter 1761. of the Revised Code, the subsidiaries of the credit union, and the loan originators employed by the credit union shall be determined by rules adopted by the superintendent of financial institutions

in accordance with Chapter 119. of the Revised Code. At a minimum, the rules shall require loan originators to furnish to the nationwide mortgage licensing system and registry information concerning the loan originator's identity and be consistent with the requirements for federally insured credit unions adopted by the national credit union administration pursuant to the "Secure and Fair Enforcement for Mortgage Licensing Act of 2008.

Sec. 5302.01. The forms set forth in sections 5302.05, 5302.07, 5302.09, 5302.11, 5302.12, 5302.14, and 5302.17, ~~and 5302.22~~ of the Revised Code may be used and shall be sufficient for their respective purposes. They shall be known as "Statutory Forms" and may be referred to as such. They may be altered as circumstances require, and the authorization of ~~such~~ those forms shall not prevent the use of other forms. Wherever the phrases defined in sections 5302.06, 5302.08, 5302.10, and 5302.13 of the Revised Code are to be incorporated in instruments by reference, the method of incorporation as indicated in the statutory forms shall be sufficient, but shall not preclude other methods.

Sec. 5302.02. The rules and definitions contained in sections 5302.03, 5302.04, 5302.06, 5302.08, 5302.10, 5302.13, 5302.17, 5302.18, 5302.19, 5302.20, and 5302.21, ~~and 5302.22~~ of the Revised Code apply to all deeds or other instruments relating to real estate, whether the statutory forms or other forms are used, where the instruments are executed on or after October 1, 1965, ~~or, in relation to the.~~ The rules and definitions contained in section 5302.22 of the Revised Code, as it existed prior to the effective date of this amendment, apply to instruments executed on or after August 29, 2000, and prior to the effective date of this amendment. The rules and definitions contained in section 5302.22 of the Revised Code apply to instruments executed on or after the effective date of this amendment.

Sec. 5302.22. (A) ~~A deed conveying any interest in real property, and in substance following the form set forth in this division, when duly executed in accordance with Chapter 5301. of the Revised Code and recorded in the office of the county recorder, creates a present interest as sole owner or as a tenant in common in the grantee and creates a transfer on death interest in the beneficiary or beneficiaries. Upon the death of the grantee, the deed vests the interest of the decedent in the beneficiary or beneficiaries. The deed described in this division shall in substance conform to the following form:~~

**"Transfer on Death Deed**

~~..... (marital status), of ..... County, ..... (for valuable consideration paid, if any), grant(s) (with covenants, if any), to ..... whose tax mailing address is ....., transfer on death to~~

....., beneficiary(s), the following real property:  
(Description of land or interest in land and encumbrances, reservations,  
and exceptions, if any.)

Prior Instrument Reference: .....

....., wife (husband) of the grantor, releases all rights of dower  
therein.

Executed this ..... day of .....

.....  
(Signature of Grantor)

(Execution in accordance with Chapter 5301. of the Revised Code)" As used in sections 5302.22, 5302.222, 5302.23, and 5302.24 of the Revised Code:

(1) "Affidavit of confirmation" means an affidavit executed under division (A) of section 5302.222 of the Revised Code.

(2) "Survivorship tenancy" means an ownership of real property or any interest in real property by two or more persons that is created by executing a deed pursuant to section 5302.17 of the Revised Code.

(3) "Survivorship tenant" means one of the owners of real property or any interest in real property in a survivorship tenancy.

(4) "Tenants by the entireties" mean only those persons who are vested as tenants in an estate by the entireties with survivorship pursuant to any deed recorded between February 9, 1972, and April 3, 1985, under section 5302.17 of the Revised Code as it existed during that period of time. Nothing in sections 5302.22, 5302.222, 5302.23, and 5302.24 of the Revised Code authorizes the creation of a tenancy by the entireties or recognizes a tenancy by the entireties created outside that period of time.

(5) "Transfer on death designation affidavit" means an affidavit executed under this section.

(6) "Transfer on death beneficiary or beneficiaries" means the beneficiary or beneficiaries designated in a transfer on death designation affidavit.

(B) Any person individual who, under the Revised Code or the common law of this state, owns real property or any interest in real property as a sole owner or, as a tenant in common, or as a survivorship tenant, or together with the individual's spouse owns an indivisible interest in real property as tenants by the entireties, may create an designate the entire interest, or any specified part that is less than the entire interest, in the that real property as transferable on death to a designated beneficiary or beneficiaries by executing and recording a deed, together with the individual's spouse, if any, a transfer on death designation affidavit as provided in this section



~~conveying the person's entire, separate interest in the real property to one or more individuals, including the grantor, and designating one or more other persons, identified in the deed by name, as transfer on death beneficiaries.~~

~~A deed conveying an interest in real property that includes a transfer on death beneficiary designation need not be supported by consideration and need not be delivered to the transfer on death beneficiary to be effective. If the affidavit is executed by an individual together with the individual's spouse, if any, the dower rights of the spouse are subordinate to the vesting of title to the interest in the real property in the transfer on death beneficiary or beneficiaries designated under this section. The affidavit shall be recorded in the office of the county recorder in the county in which the real property is located, and, when so recorded, the affidavit or a certified copy of the affidavit shall be evidence of the transfer on death beneficiary or beneficiaries so designated in the affidavit insofar as the affidavit affects title to the real property.~~

~~(C) Upon (1) If an individual who owns real property or an interest in real property as a sole owner or as a tenant in common executes a transfer on death designation affidavit, upon the death of that individual, title to the real property or interest in the real property specified in the affidavit vests in the transfer on death beneficiary or beneficiaries designated in the affidavit.~~

~~(2) If an individual who owns real property or an interest in real property as a survivorship tenant executes a transfer on death designation affidavit, upon the death of that individual or of one but not all of the surviving survivorship tenants, title to the real property or interest in the real property specified in the affidavit vests in the surviving survivorship tenant or tenants. Upon the death of the last surviving survivorship tenant, title to the real property or interest in the real property vests in the transfer on death beneficiary or beneficiaries designated in the affidavit, subject to division (B)(7) of section 5302.23 of the Revised Code.~~

~~(3) If an individual who together with the individual's spouse owns an indivisible interest in real property as tenants by the entireties executes a transfer on death designation affidavit, upon the death of that individual, title to the real property or interest in the real property vests in the remaining tenant by the entireties. Upon the death of the remaining tenant by the entireties, title to the real property or interest in the real property vests in the transfer on death beneficiary or beneficiaries designated in the affidavit, subject to division (B)(7) of section 5302.23 of the Revised Code.~~

~~(D) A transfer on death designation affidavit shall be verified before any person authorized to administer oaths and shall include all of the following:~~

~~(1) A description of the real property the title to which is affected by the~~

affidavit and a reference to an instrument of record containing that description:

(2) If less than the entire interest in the real property is to be transferred on death under the affidavit, a statement of the specific interest or part of the interest in the real property that is to be so transferred;

(3) A statement by the individual executing the affidavit that the individual is the person appearing on the record of the real property as the owner of the real property or interest in the real property at the time of the recording of the affidavit and the marital status of that owner. If the owner is married, the affidavit shall include a statement by the owner's spouse stating that the spouse's dower rights are subordinate to the vesting of title to the real property or interest in the real property in the transfer on death beneficiary or beneficiaries designated in the affidavit.

(4) A statement designating one or more persons, identified by name, as transfer on death beneficiary or beneficiaries.

(E) The county recorder of the county in which a transfer on death designation affidavit is offered for recording shall receive the affidavit and cause it to be recorded in the same manner as deeds are recorded. The county recorder shall collect a fee for recording the affidavit in the same amount as the fee for recording deeds. The county recorder shall index the affidavit in the name of the owner of record of the real property or interest in the real property who executed the affidavit.

(F) A transfer on death designation affidavit need not be supported by consideration and need not be delivered to the transfer on death beneficiary or beneficiaries designated in the affidavit to be effective. However, in order to be effective, that affidavit shall be recorded with the county recorder as described in this section prior to the death of the individual who executed the affidavit.

(G) Subject to division (C) of this section, upon the death of any individual who owns real property or an interest in real property that is subject to a transfer on death beneficiary designation made under a transfer on death deed designation affidavit as provided in this section, ~~the deceased owner's~~ that real property or interest in real property of the deceased owner shall be transferred only to the transfer on death beneficiary or beneficiaries who are identified in the ~~deed~~ affidavit by name and who survive the deceased owner or that are in existence on the date of death of the deceased owner. ~~The transfer of the deceased owner's interest shall be recorded by presenting to the county auditor and filing with the county recorder an affidavit, accompanied by a certified copy of a death certificate for the deceased owner. The affidavit shall recite the name and address of each~~

~~designated transfer on death beneficiary who survived the deceased owner or that is in existence on the date of the deceased owner's death, the date of the deceased owner's death, a description of the subject real property or interest in real property, and the names of each designated transfer on death beneficiary who has not survived the deceased owner or that is not in existence on the date of the deceased owner's death. The affidavit shall be accompanied by a certified copy of a death certificate for each designated transfer on death beneficiary who has not survived the deceased owner. The county recorder shall make an index reference to any affidavit so filed in the record of deeds.~~

~~Upon the death of any individual holding real property or an interest in real property that is subject to a transfer on death beneficiary designation made under a transfer on death deed as provided in this section, if the title to the real property is registered pursuant to Chapter 5309. of the Revised Code, the procedure for the transfer of the interest of the deceased owner shall be pursuant to section 5309.081 of the Revised Code~~ For purposes of this division, if a natural or legal person designated by name in the affidavit as a transfer on death beneficiary or as a contingent transfer on death beneficiary as provided in division (B)(2) of section 5302.23 of the Revised Code solely in that person's capacity as a trustee of a trust has died, has resigned, or otherwise has been replaced by a successor trustee of the trust on the date of death of the deceased owner, the successor trustee of the trust shall be considered the transfer on death beneficiary or contingent transfer on death beneficiary in existence on the date of death of the deceased owner in full compliance with this division, notwithstanding that the successor trustee is not named as a transfer on death beneficiary or contingent transfer on death beneficiary in the affidavit.

(H) Any person who knowingly makes any false statement in a transfer on death designation affidavit is guilty of falsification under division (A)(6) of section 2921.13 of the Revised Code.

Sec. 5302.221. (A) As used in this section:

"Estate" has the same meaning as in section 5111.11 of the Revised Code.

"Medicaid estate recovery program" means the program instituted under section 5111.11 of the Revised Code.

(B) The administrator of the medicaid estate recovery program shall prescribe a form on which a beneficiary of a transfer on death ~~deed~~ designation affidavit as provided in section 5302.22 of the Revised Code, who survives the deceased owner of the real property or an interest in the real property or that is in existence on the date of death of the deceased

owner, or ~~such a~~ that beneficiary's representative is to indicate both of the following:

(1) Whether the deceased owner was either of the following:

(a) A decedent subject to the medicaid estate recovery program;

(b) The spouse of a decedent subject to the medicaid estate recovery program.

(2) Whether the real property or interest in the real property was part of the estate of a decedent subject to the medicaid estate recovery program.

(C) A county recorder shall obtain a properly completed form prescribed under division (B) of this section from the beneficiary of a transfer on death ~~deed~~ designation affidavit or the beneficiary's representative and send a copy of the form to the administrator of the medicaid estate recovery program before recording the transfer of the real property or interest in the real property under ~~division (C) of section 5302.22~~ 5302.222 of the Revised Code.

Sec. 5302.222. (A) The transfer of a deceased owner's real property or interest in real property as designated in a transfer on death designation affidavit provided in section 5302.22 of the Revised Code shall be recorded by presenting to the county auditor of the county in which the real property is located and filing with the county recorder of that county an affidavit of confirmation executed by any transfer on death beneficiary to whom the transfer is made. The affidavit of confirmation shall be verified before a person authorized to administer oaths and shall be accompanied by a certified copy of the death certificate for the deceased owner. The affidavit of confirmation shall contain all of the following information:

(1) The name and address of each transfer on death beneficiary who survived the deceased owner or that is in existence on the date of death of the deceased owner. If a named beneficiary was designated as a transfer on death beneficiary solely in that person's capacity as a trustee of a trust and that trustee subsequently has been replaced by a successor trustee, the affidavit of confirmation shall include the name and address of the successor trustee and shall be accompanied by a copy of the recorded successor trustee affidavit described in section 5302.171 of the Revised Code.

(2) The date of death of the deceased owner;

(3) A description of the subject real property or interest in real property;

(4) The name of each transfer on death beneficiary who has not survived the deceased owner or that is not in existence on the date of death of the deceased owner.

(B) The affidavit of confirmation shall be accompanied by a certified copy of the death certificate for each transfer on death beneficiary who has

not survived the deceased owner.

(C) The county recorder shall make an index reference in the record of deeds to any affidavit of confirmation filed with the county recorder under this section.

(D) Upon the death of any individual holding real property or an interest in real property that is the subject of a transfer on death designation affidavit as provided in section 5302.22 of the Revised Code, if the title to the real property is registered pursuant to Chapter 5309. of the Revised Code, the procedure for the transfer of the interest of the deceased owner to the transfer on death beneficiary or beneficiaries designated in the affidavit shall be pursuant to section 5309.081 of the Revised Code.

(E) Any person who knowingly makes any false statement in an affidavit of confirmation is guilty of falsification under division (A)(6) of section 2921.13 of the Revised Code.

Sec. 5302.23. (A) Any ~~deed~~ affidavit containing language that shows a clear intent to designate a transfer on death beneficiary shall be liberally construed to do so.

(B) Real property or an interest in real property that is the subject of a transfer on death ~~beneficiary~~ designation affidavit as provided in section 5302.22 of the Revised Code or as described in division (A) of this section has all of the following characteristics and ramifications:

(1) An interest of a deceased owner shall be transferred to the transfer on death beneficiaries who are identified in the ~~deed~~ affidavit by name and who survive the deceased owner or that are in existence on the date of the deceased owner's death. If there is a designation of more than one transfer on death beneficiary, the beneficiaries shall take title ~~in~~ to the interest in equal shares as tenants in common, unless the deceased owner has specifically designated other than equal shares or has designated that the beneficiaries take title as survivorship tenants, subject to division (B)(3) of this section. If a transfer on death beneficiary does not survive the deceased owner or is not in existence on the date of the deceased owner's death, and the deceased owner has designated one or more persons as contingent transfer on death beneficiaries as provided in division (B)(2) of this section, the designated contingent transfer on death beneficiaries shall take the same interest that would have passed to the transfer on death beneficiary had that transfer on death beneficiary survived the deceased owner or been in existence on the date of the deceased owner's death. If none of the designated transfer on death beneficiaries survives the deceased owner or is in existence on the date of the deceased owner's death and no contingent transfer on death beneficiaries have been designated ~~or~~, have survived the

deceased owner, or are in existence on the date of death of the deceased owner, the interest of the deceased owner shall be distributed as part of the probate estate of the deceased owner of the interest. If there are two or more transfer on death beneficiaries and the deceased owner has designated that title to the interest in the real property be taken by those beneficiaries as survivorship tenants, no designated contingent transfer on death beneficiaries shall take title to the interest unless none of the transfer on death beneficiaries survives the deceased owner on the date of death of the deceased owner.

(2) A transfer on death ~~deed~~ designation affidavit may contain a designation of one or more persons as contingent transfer on death beneficiaries, who shall take the interest of the deceased owner that would otherwise have passed to the ~~designated~~ transfer on death beneficiary if that named ~~designated~~ transfer on death beneficiary does not survive the deceased owner or is not in existence on the date of death of the deceased owner. Persons designated as contingent transfer on death beneficiaries shall be identified in the ~~deed~~ affidavit by name.

(3) Any transfer on death beneficiary or contingent transfer on death beneficiary may be a natural or legal person, including, but not limited to, a bank as trustee of a trust, except that if two or more transfer on death beneficiaries are designated as survivorship tenants, all of those beneficiaries shall be natural persons and if two or more contingent transfer on death beneficiaries are designated as survivorship tenants, all of those contingent beneficiaries shall be natural persons. A natural person who is designated a transfer on death beneficiary or contingent transfer on death beneficiary solely in that natural person's capacity as a trustee of a trust is not considered a natural person for purposes of designating the transfer on death beneficiaries or contingent transfer on death beneficiaries as survivorship tenants under division (B)(3) of this section.

(4) The designation of a transfer on death beneficiary has no effect on the present ownership of real property, and a person designated as a transfer on death beneficiary has no interest in the real property until the death of the owner of the interest.

~~(4)~~(5) The designation in a ~~deed~~ transfer on death designation affidavit of any transfer on death beneficiary may be revoked or changed at any time, without the consent of that ~~designated~~ transfer on death beneficiary, by the owner of the interest, by the surviving survivorship tenants of the interest, or by the remaining tenant by the entireties of the interest, by executing in accordance with Chapter 5301. of the Revised Code and recording, prior to the death of the owner of the interest, of the surviving survivorship tenants

of the interest, or of the remaining tenant by the entireties of the interest, as the case may be, a deed conveying the grantor's entire, separate interest in the real property to one or more persons, including the grantor, with or without the designation of another transfer on death beneficiary new transfer on death designation affidavit pursuant to section 5302.22 of the Revised Code stating the revocation or change in that designation. The new transfer on death designation affidavit shall automatically supersede and revoke all prior recorded transfer on death designation affidavits with respect to the real property or the interest in real property identified in the new affidavit, provided that the prior recorded affidavit was executed before the later recorded affidavit.

~~(5)~~(6) A fee simple title or any fractional interest in a fee simple title may be subjected to a transfer on death beneficiary designation.

~~(6)~~(7)(a) A ~~designated~~ transfer on death beneficiary takes only the interest that the deceased owner or owners of the interest held on the date of death, subject to all encumbrances, reservations, and exceptions.

~~(7)~~(b) If the owners hold title to the interest in a survivorship tenancy, the death of all except the last survivorship tenant automatically terminates and nullifies any transfer on death beneficiary designations made solely by the deceased survivorship tenant or tenants without joinder by the last surviving survivorship tenant. The termination or nullification of any transfer on death beneficiary designations under division (B)(7)(b) of this section is effective as of the date of death of a deceased survivorship tenant. No affirmative act of revocation is required of the last surviving survivorship tenant for the termination or nullification of the transfer on death beneficiary designations to occur as described in division (B)(7)(b) of this section. If the last surviving survivorship tenant dies with no transfer on death beneficiary designation, the entire interest of that last surviving survivorship tenant shall be distributed as part of the tenant's probate estate.

(c) If the owners hold title to the interest in a tenancy by the entireties, the death of the first tenant by the entireties automatically terminates and nullifies any transfer on death beneficiary designations made solely by that deceased first tenant without joinder by the remaining tenant by the entireties. The termination or nullification of any transfer on death beneficiary designations under division (B)(7)(c) of this section is effective as of the date of death of the first tenant by the entireties. No affirmative act of revocation is required of the remaining tenant by the entireties for the termination or nullification of the transfer on death beneficiary designations to occur as described in division (B)(7)(c) of this section. If the remaining tenant by the entireties dies with no transfer on death beneficiary

designation, the entire interest of that remaining tenant shall be distributed as part of the tenant's probate estate.

(8) No rights of any lienholder, including, but not limited to, any mortgagee, judgment creditor, or mechanic's lien holder, shall be affected by the designation of a transfer on death beneficiary pursuant to this section and section 5302.22 of the Revised Code. If any lienholder takes action to enforce the lien, by foreclosure or otherwise through a court proceeding, it is not necessary to join ~~the~~ any transfer on death beneficiary as a party defendant in the action unless the transfer on death beneficiary has another interest in the real property ~~that is currently vested.~~

~~(8)~~(9) Any transfer on death of real property or of an interest in real property that results from a ~~deed~~ transfer on death designation affidavit designating a transfer on death beneficiary is not testamentary. That transfer on death shall supersede any attempted testate or intestate transfer of that real property or interest in real property.

(10) The execution and recording of a transfer on death designation affidavit shall be effective to terminate the designation of a transfer on death beneficiary in a transfer on death deed involving the same real property or interest in real property and recorded prior to the effective date of this section.

(11) The execution and recording of a transfer on death designation affidavit shall be effective to bar the vesting of any rights of dower in a subsequent spouse of the owner of the real property who executed that affidavit unless the affidavit is revoked or changed.

Sec. 5302.24. Sections 5302.22, 5302.222, and 5302.23 of the Revised Code do not affect any deed that was executed and recorded prior to the effective date of this section, or any transfer on death beneficiary designation made, pursuant to section 5302.22 of the Revised Code as it existed prior to the effective date of this section. If that deed or designation is valid on the day prior to the effective date of this section, the deed or designation continues to be valid on and after the effective date of this section. A grantee of that deed need not execute a transfer on death designation affidavit that designates the same transfer on death beneficiary or beneficiaries as in the deed unless the grantee chooses to do so.

Sec. 5815.36. (A) As used in this section:

(1) "Disclaimant" means any person, any guardian or personal representative of a person or estate of a person, or any attorney-in-fact or agent of a person having a general or specific authority to act granted in a written instrument, who is any of the following:

(a) With respect to testamentary instruments and intestate succession, an



heir, next of kin, devisee, legatee, donee, person succeeding to a disclaimed interest, surviving joint tenant, surviving tenant by the entirety, surviving tenant of a tenancy with a right of survivorship, beneficiary under a testamentary instrument, or person designated to take pursuant to a power of appointment exercised by a testamentary instrument;

(b) With respect to nontestamentary instruments, a grantee, donee, person succeeding to a disclaimed interest, surviving joint tenant, surviving tenant by the entirety, surviving tenant of a tenancy with a right of survivorship, beneficiary under a nontestamentary instrument, or person designated to take pursuant to a power of appointment exercised by a nontestamentary instrument;

(c) With respect to fiduciary rights, privileges, powers, and immunities, a fiduciary under a testamentary or nontestamentary instrument. Division (A)(1)(c) of this section does not authorize a fiduciary who disclaims fiduciary rights, privileges, powers, and immunities to cause the rights of any beneficiary to be disclaimed unless the instrument creating the fiduciary relationship authorizes the fiduciary to make such a disclaimer.

(d) Any person entitled to take an interest in property upon the death of a person or upon the occurrence of any other event.

(2) "Personal representative" includes any fiduciary as defined in section 2109.01 of the Revised Code and any executor, trustee, guardian, or other person or entity having a fiduciary relationship with regard to any interest in property passing to the fiduciary, executor, trustee, guardian, or other person or entity by reason of a disclaimant's death.

(3) "Property" means all forms of property, real and personal, tangible and intangible.

(B)(1) A disclaimant, other than a fiduciary under an instrument who is not authorized by the instrument to disclaim the interest of a beneficiary, may disclaim, in whole or in part, the succession to any property by executing and by delivering, filing, or recording a written disclaimer instrument in the manner provided in this section.

(2) A disclaimant who is a fiduciary under an instrument may disclaim, in whole or in part, any right, power, privilege, or immunity, by executing and by delivering, filing, or recording a written disclaimer instrument in the manner provided in this section.

(3) The written instrument of disclaimer shall be signed and acknowledged by the disclaimant and shall contain all of the following:

(a) A reference to the donative instrument;

(b) A description of the property, part of property, or interest disclaimed, and of any fiduciary right, power, privilege, or immunity

disclaimed;

(c) A declaration of the disclaimer and its extent.

(4) The guardian of the estate of a minor or an incompetent, or the personal representative of a deceased person, whether or not authorized by the instrument to disclaim, with the consent of the probate division of the court of common pleas may disclaim, in whole or in part, the succession to any property, or interest in property, that the ward, if an adult and competent, or the deceased, if living, might have disclaimed. The guardian or personal representative, or any interested person may file an application with the probate division of the court of common pleas that has jurisdiction of the estate, asking that the court order the guardian or personal representative to execute and deliver, file, or record the disclaimer on behalf of the ward, estate, or deceased person. The court shall order the guardian or personal representative to execute and deliver, file, or record the disclaimer if the court finds, upon hearing after notice to interested parties and such other persons as the court shall direct, that:

(a) It is in the best interests of those interested in the estate of the person and of those who will take the disclaimed interest;

(b) It would not materially, adversely affect the minor or incompetent, or the beneficiaries of the estate of the decedent, taking into consideration other available resources and the age, probable life expectancy, physical and mental condition, and present and reasonably anticipated future needs of the minor or incompetent or the beneficiaries of the estate of the decedent.

A written instrument of disclaimer ordered by the court under this division shall be executed and be delivered, filed, or recorded within the time and in the manner in which the person could have disclaimed if the person were living, an adult, and competent.

(C) A partial disclaimer of property that is subject to a burdensome interest created by the donative instrument is not effective unless the disclaimed property constitutes a gift that is separate and distinct from undisclaimed gifts.

(D) The disclaimant shall deliver, file, or record the disclaimer, or cause the same to be done, prior to accepting any benefits of the disclaimed interest and at any time after the latest of the following dates:

(1) The effective date of the donative instrument if both the taker and the taker's interest in the property are finally ascertained on that date;

(2) The date of the occurrence of the event upon which both the taker and the taker's interest in the property become finally ascertainable;

(3) The date on which the disclaimant attains eighteen years of age or is no longer an incompetent, without tendering or repaying any benefit

received while the disclaimant was under eighteen years of age or an incompetent, and even if a guardian of a minor or incompetent had filed an application pursuant to division (B)(4) of this section and the probate division of the court of common pleas involved did not consent to the guardian executing a disclaimer.

(E) No disclaimer instrument is effective under this section if either of the following applies under the terms of the disclaimer instrument:

(1) The disclaimant has power to revoke the disclaimer.

(2) The disclaimant may transfer, or direct to be transferred, to self the entire legal and equitable ownership of the property subject to the disclaimer instrument.

(F)(1) Subject to division (F)(2) of this section, if the interest disclaimed is created by a nontestamentary instrument, including, but not limited to, a transfer on death designation affidavit pursuant to section 5302.22 of the Revised Code, the disclaimer instrument shall be delivered personally or by certified mail to the trustee or other person who has legal title to, or possession of, the property disclaimed. If the interest disclaimed is created by a transfer on death designation affidavit pursuant to section 5302.22 of the Revised Code, the disclaimer instrument shall be filed with the county recorder of the county in which the real property that is the subject of that affidavit is located.

(2) If the interest disclaimed is created by a testamentary instrument, by intestate succession, ~~by a transfer on death deed pursuant to section 5302.22 of the Revised Code~~, or by a certificate of title to a motor vehicle, watercraft, or outboard motor that evidences ownership of the motor vehicle, watercraft, or outboard motor that is transferable on death pursuant to section 2131.13 of the Revised Code, the disclaimer instrument shall be filed in the probate division of the court of common pleas in the county in which proceedings for the administration of the decedent's estate have been commenced, and an executed copy of the disclaimer instrument shall be delivered personally or by certified mail to the personal representative of the decedent's estate.

(3) If no proceedings for the administration of the decedent's estate have been commenced, the disclaimer instrument shall be filed in the probate division of the court of common pleas in the county in which proceedings for the administration of the decedent's estate might be commenced according to law. The disclaimer instrument shall be filed and indexed, and fees charged, in the same manner as provided by law for an application to be appointed as personal representative to administer the decedent's estate. The disclaimer is effective whether or not proceedings thereafter are commenced

to administer the decedent's estate. If proceedings thereafter are commenced for the administration of the decedent's estate, they shall be filed under, or consolidated with, the case number assigned to the disclaimer instrument.

(4) If an interest in real estate is disclaimed, an executed copy of the disclaimer instrument also shall be recorded in the office of the recorder of the county in which the real estate is located. The disclaimer instrument shall include a description of the real estate with sufficient certainty to identify it, and shall contain a reference to the record of the instrument that created the interest disclaimed. If title to the real estate is registered under Chapters 5309. and 5310. of the Revised Code, the disclaimer interest shall be entered as a memorial on the last certificate of title. A spouse of a disclaimant has no dower or other interest in the real estate disclaimed.

(G) If a donative instrument expressly provides for the distribution of property, part of property, or interest in property if there is a disclaimer, the property, part of property, or interest disclaimed shall be distributed or disposed of, and accelerated or not accelerated, in accordance with the donative instrument. In the absence of express provisions to the contrary in the donative instrument, the property, part of property, or interest in property disclaimed, and any future interest that is to take effect in possession or enjoyment at or after the termination of the interest disclaimed, shall descend, be distributed, or otherwise be disposed of, and shall be accelerated, in the following manner:

(1) If intestate or testate succession is disclaimed, as if the disclaimant had predeceased the decedent;

(2) If the disclaimant is one designated to take pursuant to a power of appointment exercised by a testamentary instrument, as if the disclaimant had predeceased the donee of the power;

(3) If the donative instrument is a nontestamentary instrument, as if the disclaimant had died before the effective date of the nontestamentary instrument;

(4) If the disclaimer is of a fiduciary right, power, privilege, or immunity, as if the right, power, privilege, or immunity was never in the donative instrument.

(H) A disclaimer pursuant to this section is effective as of, and relates back for all purposes to, the date upon which the taker and the taker's interest have been finally ascertained.

(I) A disclaimant who has a present and future interest in property, and disclaims the disclaimant's present interest in whole or in part, is considered to have disclaimed the disclaimant's future interest to the same extent, unless a contrary intention appears in the disclaimer instrument or the donative

instrument. A disclaimant is not precluded from receiving, as an alternative taker, a beneficial interest in the property disclaimed, unless a contrary intention appears in the disclaimer instrument or in the donative instrument.

(J) The disclaimant's right to disclaim under this section is barred if the disclaimant does any of the following:

(1) Assigns, conveys, encumbers, pledges, or transfers, or contracts to assign, convey, encumber, pledge, or transfer, the property or any interest in it;

(2) Waives in writing the disclaimant's right to disclaim and executes and delivers, files, or records the waiver in the manner provided in this section for a disclaimer instrument;

(3) Accepts the property or an interest in it;

(4) Permits or suffers a sale or other disposition of the property pursuant to judicial action against the disclaimant.

(K) Neither a fiduciary's application for appointment or assumption of duties as a fiduciary nor a beneficiary's application for appointment as a personal representative or fiduciary waives or bars the disclaimant's right to disclaim a right, power, privilege, or immunity as a personal representative or fiduciary or the beneficiary's right to disclaim property.

(L) The right to disclaim under this section exists irrespective of any limitation on the interest of the disclaimant in the nature of a spendthrift provision or similar restriction.

(M) A disclaimer instrument or written waiver of the right to disclaim that has been executed and delivered, filed, or recorded as required by this section is final and binding upon all persons.

(N) The right to disclaim and the procedures for disclaimer established by this section are in addition to, and do not exclude or abridge, any other rights or procedures that exist or formerly existed under any other section of the Revised Code or at common law to assign, convey, release, refuse to accept, renounce, waive, or disclaim property.

(O)(1) No person is liable for distributing or disposing of property in a manner inconsistent with the terms of a valid disclaimer if the distribution or disposition is otherwise proper and the person has no actual knowledge of the disclaimer.

(2) No person is liable for distributing or disposing of property in reliance upon the terms of a disclaimer that is invalid because the right of disclaimer has been waived or barred if the distribution or disposition is otherwise proper and the person has no actual knowledge of the facts that constitute a waiver or bar to the right to disclaim.

(P)(1) A disclaimant may disclaim pursuant to this section any interest

in property that is in existence on September 27, 1976, if either the interest in the property or the taker of the interest in the property is not finally ascertained on that date.

(2) No disclaimer executed pursuant to this section destroys or diminishes an interest in property that exists on September 27, 1976, in any person other than the disclaimant.

(Q) This section may be applied separately to different interests or powers created in the disclaimant by the same testamentary or nontestamentary instrument.

SECTION 2. That existing sections 317.114, 1321.51, 1321.522, 1321.53, 1321.531, 1321.532, 1321.533, 1321.535, 1321.54, 1321.55, 1321.59, 1322.01, 1322.02, 1322.022, 1322.023, 1322.03, 1322.031, 1322.04, 1322.041, 1322.062, 1322.07, 1322.074, 1322.10, 1322.99, 1343.011, 1345.01, 1345.05, 1345.09, 1349.31, 1349.43, 1541.083, 1733.252, 5302.01, 5302.02, 5302.22, 5302.221, 5302.23, and 5815.36 of the Revised Code are hereby repealed.

SECTION 3. That Section 745.60 of Am. Sub. H.B. 1 of the 128th General Assembly be amended to read as follows:

Sec. 745.60. (A) Sections 1321.20, 1321.51, 1321.52, 1321.521, 1321.522, 1321.53, 1321.531, 1321.532, 1321.533, 1321.534, 1321.535, 1321.536, 1321.54, 1321.55, 1321.551, 1321.552, 1321.57, 1321.59, 1321.591, 1321.592, 1321.593, 1321.594, 1321.60, 1321.99, 1322.01, 1322.02, 1322.022, 1322.023, 1322.024, 1322.025, 1322.03, 1322.031, 1322.04, 1322.041, 1322.05, 1322.051, 1322.052, 1322.06, 1322.061, 1322.062, 1322.063, 1322.064, 1322.065, 1322.07, 1322.071, 1322.072, 1322.074, 1322.075, 1322.08, 1322.081, 1322.09, 1322.10, 1322.11, 1322.99, 1343.011, 1345.01, 1345.05, 1345.09, 1349.31, and 1349.43; ~~1733.252, and 1733.26~~ of the Revised Code, as amended or enacted by ~~this act~~ Am. Sub. H.B. 1 of the 128th General Assembly, shall apply on and after January 1, 2010, unless otherwise provided in this section.

(B)(1) The Division of Financial Institutions shall begin accepting applications for a mortgage loan originator license, and applications for an exemption from registration under sections 1321.51 to 1321.60 or 1322.01 to 1322.12 of the Revised Code, on ~~the effective date of this section~~ October 16, 2009.

(2) In order to continue to operate as an exempt entity, any credit union service organization in operation as of January 1, 2010, that seeks

exemption from registration under sections 1321.51 to 1321.60 of the Revised Code shall obtain a valid letter of exemption issued by the Superintendent of Financial Institutions not later than July 1, 2010. Any person performing the duties of a mortgage loan originator as of January 1, 2010, shall obtain a mortgage loan originator license from the Division not later than January 1, 2011, in order to continue to perform those duties.

(3) In order to continue to operate as an exempt entity, any mortgage banker or credit union service organization in operation as of January 1, 2010, that seeks exemption from registration under sections 1322.01 to 1322.12 of the Revised Code shall obtain a valid letter of exemption issued by the Superintendent not later than May 1, 2010. Any individual who, as of January 1, 2010, performs the duties of a loan originator and is employed by or associated with any person or entity listed in division (G)(2) of section 1322.01 of the Revised Code shall obtain a loan originator license from the Superintendent not later than May 1, 2010, in order to continue to perform those duties.

(C) Individuals holding a valid mortgage lender certificate of registration, mortgage broker certificate of registration, or loan officer license as of January 1, 2010, shall not be required to be in compliance with the sections described in division (A) of this section until the first renewal of that certificate or license after that date.

(D) Sections 1733.252 and 1733.26 of the Revised Code, as amended or enacted by Am. Sub. H.B. 1 of the 128th General Assembly, shall apply on and after January 1, 2011.

SECTION 4. That existing Section 745.60 of Am. Sub. H.B. 1 of the 128th General Assembly is hereby repealed.

SECTION 5. (A) Sections 1321.51, 1321.522, 1321.53, 1321.531, 1321.532, 1321.533, 1321.535, 1321.54, 1321.55, 1321.59, 1322.01, 1322.02, 1322.022, 1322.023, 1322.03, 1322.031, 1322.04, 1322.041, 1322.062, 1322.07, 1322.074, 1322.10, 1322.99, 1343.011, 1345.01, 1345.05, 1345.09, 1349.31, and 1349.43 of the Revised Code, as amended by this act, shall apply on and after January 1, 2010.

(B) Section 1733.252 of the Revised Code, as amended by this act, shall apply on and after January 1, 2011.

SECTION 6. A prosecuting attorney or treasurer of a county with a

population greater than eight hundred thousand but less than nine hundred thousand may determine that the amount of money appropriated to the respective office from the county Delinquent Tax and Assessment Collection Fund under division (A) of section 321.261 of the Revised Code exceeds the amount required to be used by that office as prescribed by division (A)(1) of that section. If a prosecuting attorney or treasurer of a county with that population makes such a determination, the prosecuting attorney or treasurer may expend up to fifty per cent of the excess so determined to pay the expenses of operating the respective office that otherwise would be payable from appropriations from the county general fund, notwithstanding section 321.261 of the Revised Code.

This section expires December 31, 2011.

SECTION 7. This act is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, and safety. The reason for such necessity is that this act makes changes to the sections amended or enacted by Am. Sub. H.B. 1 of the 128th General Assembly in the implementation of the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 ("S.A.F.E. Act"), and those sections apply on and after January 1, 2010. Therefore, this act shall go into immediate effect.

SECTION 8. The Governor is hereby authorized to execute a release of reversionary interest in the name of the state releasing the state's reversionary interest retained in the Governor's Deed dated August 2, 1978, and authorized by Sub. H.B. 489 of the 108th General Assembly. That deed was recorded on June 29, 1979, at Deed Volume 248, Page 193 in the records of the Auglaize County Recorder and was a corrective deed to a Governor's Deed dated November 20, 1969, which was recorded on January 20, 1970, at Deed Volume 207, Page 157 in the records of the Auglaize County Recorder. The reversionary interest retained by the state in these deeds provided for the real estate to revert to the state if the real estate ceased to be used for youth recreation center purposes or related civic purposes.

The Auditor of State, with the assistance of the Attorney General, shall prepare a release of reversionary interest to the real estate described in this section. The release shall be executed by the Governor in the name of the state, countersigned by the Secretary of State, sealed with the Great Seal of the State, presented in the office of the Auditor of State for recording, and



delivered to the Wapakoneta Family Young Men's Christian Association, Inc. The Wapakoneta Family Young Men's Christian Association, Inc., shall present the release for recording in the office of the Auglaize County Recorder.

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*Speaker* \_\_\_\_\_ *of the House of Representatives.*

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*President* \_\_\_\_\_ *of the Senate.*

Passed \_\_\_\_\_, 20\_\_\_\_

Approved \_\_\_\_\_, 20\_\_\_\_

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*Governor.*

Am. Sub. S. B. No. 124

128th G.A.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

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*Director, Legislative Service Commission.*

Filed in the office of the Secretary of State at Columbus, Ohio, on the \_\_\_\_ day of \_\_\_\_\_, A. D. 20\_\_\_\_.

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*Secretary of State.*

File No. \_\_\_\_\_ Effective Date \_\_\_\_\_