



Ohio Revised Code

Section 1322.05 Credit union service organization or depository institution application for letter of exemption; fee.

Effective: March 23, 2018

Legislation: House Bill 199 - 132nd General Assembly

(A) A credit union service organization or depository institution seeking exemption from registration pursuant to division (H) or (I) of section 1322.04 of the Revised Code or rules adopted by the superintendent in accordance with section 1322.02 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 or institution seeking exemption. The application shall be in a form prescribed by the superintendent and shall include all of the following:

- (1) The organization's or institution's business name and state of incorporation or business registration;
- (2) The names of the owners, officers, or partners having control of the organization or institution;
- (3) An attestation to all of the following:
 - (a) That the organization or institution and its owners, officers, or partners identified in division (A)(2) of this section have not had a credit union service organization registration or license, mortgage banker license, mortgage broker certificate of registration, or mortgage loan originator license, or any comparable authority, revoked in any governmental jurisdiction;
 - (b) That the organization or institution 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, 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 or institution 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 or institution's control and direction;

(5) An acknowledgment of understanding that the organization or institution is subject to the regulatory authority of the division of financial institutions as described in this section;

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

(B)(1) If the superintendent determines that the credit union service organization or depository institution 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 or institution does not qualify for exemption, the superintendent shall issue a notice of denial, and the organization or institution 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 or depository institution holding a valid letter of exemption:

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

(2) The organization or institution 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 or institution 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 or institution 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 or depository institution.

(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 or depository institution 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 1322.36 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.