



Ohio Revised Code

Section 1321.551 Evading second mortgage loan requirements.

Effective: October 16, 2009

Legislation: House Bill 1 - 128th General Assembly

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

(B) The business of a mortgage loan originator shall principally be transacted at an office of the registrant with whom the licensee is employed or associated, which office is registered, if applicable, in accordance with division (A)(1) of section 1321.52 of the Revised Code. Each original mortgage loan originator license shall be deposited with and maintained at the registrant's main office. A copy of the mortgage loan originator license shall be maintained and displayed at the office where the mortgage loan originator principally transacts business.

(C) If a mortgage loan originator's employment or association is terminated for any reason, the registrant shall return the original mortgage loan originator license to the superintendent within five business days after the termination. The licensee may request the transfer of the license to another registrant 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 in writing that the superintendent hold the license in escrow. A licensee whose license is held in escrow shall cease activity as a mortgage 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.

(D) A registrant may employ or be associated with a mortgage loan originator on a temporary basis pending the transfer of the mortgage loan originator's license to the registrant, if the registrant receives written confirmation from the superintendent that the mortgage loan originator is licensed



under sections 1321.51 to 1321.60 of the Revised Code.

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

If the mortgage loan originator's employment or association is terminated for any reason, the licensee shall return the original mortgage loan originator license to the superintendent within five business days after the termination. The licensee may request the transfer of the license to a mortgage broker or other person claiming an exemption under division (D) of section 1321.53 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 mortgage 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.

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

(F) No registrant, through its managers or otherwise, shall fail to do either of the following:

(1) Reasonably supervise mortgage loan originators or other persons employed by or associated with the registrant;

(2) Establish reasonable procedures designed to avoid violations of sections 1321.51 to 1321.60 of the Revised Code or rules adopted thereunder, or violations of applicable state and federal consumer and lending laws or rules, by mortgage loan originators or other persons employed by or associated with the registrant.



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