

NOTICE OF PUBLIC HEARING**Ohio Department of Commerce
Division of Financial Institutions
Consumer Finance – Mortgage Brokers**

Pursuant to section 119.03 of the Revised Code, notice is given that the Division of Financial Institutions intends to conduct a public hearing on Thursday, September 22, 2005 at 1:00 p.m. in the 21st Floor Library of the Vern Riffe Center for Government and the Arts located at 77 South High Street, Columbus, Ohio 43215-6120, regarding the Division's intent to rescind all existing rules related to the Ohio Mortgage Broker Act, and to adopt new rules as summarized below:

Rules To Be Rescinded

The following rules are to be rescinded; some language has been incorporated into the proposed new rules:

- 1301:8-7-01: Definitions.**
- 1301:8-7-02: Employee exception from registration.**
- 1301:8-7-03: Certificates of registration.**
- 1301:8-7-04: Branch offices.**
- 1301:8-7-05: Special account.**
- 1301:8-7-06: Recordkeeping requirements.**
- 1301:8-7-07: Advertising.**

Proposed New Rules

- 1301:8-7-01: Definitions.** Clarifies and expands terms and concepts codified in chapter 1322. of the Revised Code.
- 1301:8-7-02: Mortgage broker registration; office requirements and restrictions.** Clarifies registration as a mortgage broker pursuant to chapter 1322. of the Revised Code.
- 1301:8-7-03: Mortgage broker application for a certificate of registration—main office; branch office; issuance and expiration of certificate.** Explains the application process for a mortgage broker certificate of registration.
- 1301:8-7-04: Mortgage broker renewal application for registration; issuance of renewal certificate; expiration.** Clarifies the process and requirements for renewing a mortgage broker certificate of registration.
- 1301:8-7-05: Special account requirements.** Explains how and when a special account shall be used.
- 1301:8-7-06: Recordkeeping.** Details the recordkeeping requirements for chapter 1322. of the Revised Code.
- 1301:8-7-07: Advertising.** Expands upon the advertising requirements of chapter 1322. of the Revised Code.
- 1301:8-7-08: Loan officer license requirements; exemptions; license status.** Explains the loan officer licensing requirements under chapter 1322. of the Revised Code.

1301:8-7-09: Loan officer license application; issuance of loan officer license; license display. Increases the efficiency of the loan officer licensing process by explaining, in detail, the requirements and process for obtaining a license.

1301:8-7-10: Loan officer renewal application for licensure; issuance of renewal license; expiration. Explains the application process, procedure and requirements for renewing a loan officer license.

1301:8-7-11: Loan officer license transfer. Explains how a licensee can transfer his/her license to a different registrant.

1301:8-7-12: Operations manager. Explains the operations manager's role, the requirements for approval as an operations manager, and the procedures for appointing a new operations manager.

1301:8-7-13: Division examinations and investigations. Amplifies the examination and investigation provisions of chapter 1322. of the Revised Code.

1301:8-7-14: Surety bonds. Explains the surety bond requirements of sections 1322.01 to 1322.12 of the Revised Code, and clarifies the consequences of any lapse in coverage.

1301:8-7-15: Mortgage loan origination disclosure statement. Announces requirements and restrictions concerning the mandatory "mortgage loan origination disclosure statement."

1301:8-7-16: Prohibited practices. Clarifies conduct that the division has determined constitutes "improper, fraudulent, or dishonest dealings" in violation of section 1322.07(C) of the Revised Code.

1301:8-7-17: Licensing examination. Explains the examination requirements and procedures pertaining to section 1322.051 of the Revised Code.

1301:8-7-18: Continuing education. Explains the continuing education requirements of section 1322.052 of the Revised Code.

1301:8-7-19: Notification requirements. Details those things or events that licensees and/or registrants must report to the division.

1301:8-7-20: Compensation. Clears up industry questions concerning compensation, and helps combat unlicensed activity.

1301:8-7-21: Character, general fitness, and financial responsibility. Clarifies what factors the division considers when evaluating a person's character, general fitness or financial responsibility.

1301:8-7-22: Trade names, alternative business names and service marks. Clarifies if, how, and when a registrant may use a name other than its true legal name.

Copies of the proposed rules may be obtained by calling Iris Eubank at (614) 644-7529 at the Division of Financial Institutions or by accessing the Register of Ohio web site located at www.registerofohio.state.oh.us. Questions may be directed to Amanda Axtell, Consumer Finance Attorney Examiner, via e-mail at Amanda.Axtell@dfi.com.state.oh.us.