

STATE OF OHIO
DEPARTMENT OF COMMERCE
Division of Financial Institutions
Consumer Finance

In the matter of:)	Case No. 05-0059-LOD
)	
JEFFREY A. SZABO)	<u>DIVISION ORDER</u>
276 Kyber Run Circle)	Denial of loan officer license application
Johnstown, Ohio 43031)	&
)	Notice of Appellate Rights

Respondent, Jeffrey A. Szabo submitted a loan officer renewal application to the Division of Financial Institutions ("Division") on April 30, 2004. On February 16, 2005, the Division notified Szabo that it intended to deny his renewal application because: (1) he violated R.C. § 1322.052 by failing to complete at least six (6) hours of approved continuing education for the 2003 calendar year and (2) due to the failure to comply with R.C. § 1322.052, his character and general fitness do not 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 R.C. §§ 1322.01 to 1322.12—the Ohio Mortgage Broker

Szabo requested a hearing and an administrative hearing was held on June 9, 2005. A Report and Recommendation was filed with the Division on July 15, 2005, recommending that the Division deny Szabo's renewal loan officer application. No objections were filed.

In accordance with R.C. § 119.09, the Division has considered the record, consisting of the Report and Recommendation, the transcript of testimony and exhibits, as well as all applicable laws. As a result, the Division makes the following findings and conclusions. Any finding and/or conclusion not specifically addressed below is approved, adopted, and incorporated herein. (The Hearing Examiner's Report and Recommendation is attached hereto as Exhibit A).

The Division disapproves the final three sentences of paragraph 4 on page 4 of the Report and Recommendation.

In order for the Division to renew Szabo's loan officer license, the Division must find pursuant to R.C. § 1322.041(B)(2) that he "has completed, during the immediately preceding calendar year, at least six hours of continuing education as required under section 1322.052 of the Revised Code." The record reflects that Szabo failed to complete his continuing education

courses as required by R.C. § 1322.052 for the 2003 calendar year. (See Transcript pg. 12-13). The Division is authorized by R.C. § 1322.10(A)(1)(a) to refuse to renew a loan officer license if the Division finds that the licensee has violated “or fail[ed] to comply with any provisions of sections 1322.01 to 1322.12 of the Revised Code or the rules adopted under those sections or any other law applicable to the business conducted[.]” As a result of Szabo’s failure to meet the condition for renewal as outlined in R.C. § 1322.041(B)(2), the Division refuses to renew his loan officer license.

Additionally, the Division has grounds for denial of Szabo’s renewal application pursuant to R.C. §§ 1322.041(A)(5) and 1322.041(B)(3). These sections require that the Division finds that the applicant’s 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 section 1322.01 to 1322.12 of the Revised Code. By failing to comply with the continuing education requirements pursuant to R.C. § 1322.052, Szabo does not possess the requisite fitness mandated for loan officers. The continuing education requirements as the hearing officer notes, are there to ensure that loan officers stay current with the professional requirements of their industry. (See Report and Recommendation paragraph 4, pp. 4). When an applicant does not comply with such requirements they are no longer fit for the job, nor do they possess the ability to command the confidence of the public that the business will be operated in compliance with the law.

On a daily basis loan originators deal with consumers’ personal financial information and counsel them on what is most often their largest financial investment. Therefore it is vital that loan officers complete their continuing education requirements in order to serve the consumers of Ohio to the utmost level. By failing to comply with the requirements of the law, Szabo has proven that he does not hold the requisite fitness to be a loan officer.

The Division modifies the second sentence of the recommendation on page 4 of the Report and Recommendation.

The denial of Szabo’s loan officer renewal application is pursuant to R.C. §§ 1322.041(A)(5), 1322.041(B)(3) and 1322.10(A)(1)(a).

For the reasons stated above, the Division hereby denies the loan officer license renewal application of Jeffery A. Szabo.

It is so ordered.

NOTICE OF APPELLATE RIGHTS

Respondent is hereby notified that pursuant to R.C. 119.12, this order may be appealed by filing a notice of appeal with the Ohio Division of Financial Institutions setting forth the order appealed from and the grounds for the appeal. A copy of such notice of appeal must, pursuant to R.C. 119.12, must also be filed with the court of common pleas of the county in which the place of business of the Respondent is located, or the county in which the Respondent is a resident. A notice of appeal must be filed within fifteen (15) days after the date of mailing of this order.

Signed and sealed this 5th day of January 2006.

ROBERT M. GRIESER

Deputy Superintendent for Consumer Finance
Division of Financial Institutions
Ohio Department of Commerce