

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

In the matter of:	)	Case No. 04-344-LOD
	)	
<b>SANDIE LYTLE</b>	)	<b><u>DIVISION ORDER</u></b>
5629 Raintree Place	)	<b>Denial of loan officer license application</b>
Columbus, OH 43229	)	&
<hr style="width: 50%; margin-left: 0;"/>	)	<b>Notice of Appellate Rights</b>

Respondent, Sandie Lytle, was issued a loan officer license on December 19, 2002. On or around April 11, 2003, Lytle submitted a renewal application for a loan officer license; that application remains pending. On November 18, 2003, Lytle submitted a new loan officer license application. On April 6, 2004, the Division of Financial Institutions ("Division") notified Lytle that it intended to deny her 2003 renewal application for a loan officer license because: (1) she failed to comply with Ohio Revised Code ("R.C.") § 1322.052 by failing to complete six hours of approved continuing education; (2) and because she violated R.C. § 1322.052, the Division believed that Lytle's character and general fitness do not command the confidence of the public and warrant the belief that her business will be operated honestly and fairly in compliance with the purposes of the Ohio Mortgage Broker Act; and (3) the Division believed that Lytle submitted the November 18, 2003 application in an attempt to circumvent her 2002 continuing education requirement and thus established another basis for believing that her character and general fitness do not command the confidence of the public and warrant the belief that her business will be operated honestly and fairly in compliance with the purposes of the Ohio Mortgage Broker Act.

Lytle requested a hearing and an administrative hearing was held on May 24, 2004. A Report and Recommendation was filed with the Division on October 1, 2004, recommending that the Division levy a fine against Lytle and issue her renewal license. No objections were filed.

In accordance with R.C. §119.09, the Division has considered the Report and Recommendation, applicable laws, the transcript of testimony and the exhibits. As a result, the Division makes the following findings and conclusions. The record establishes that pursuant to R.C. § 1322.052, Lytle was required to complete six (6) hours of approved continuing education on or before December 31, 2002, and that because 2002 was the first year in which loan officers

had to comply with the law, the Division extended the deadline for compliance to March 31, 2003. Lytle completed zero (0) hours of continuing education by March 31, 2003. Lytle submitted a license renewal application to the Division in April 2003. On August 21, 2003, the Division sent Lytle a letter informing her that it could not renew her license because she had not complied with the continuing education requirements of R.C. § 1322.052, but offered to settle the matter on the terms of a Settlement Agreement that had been enclosed with the notice. (See Exhibit B1.) The terms of the Settlement Agreement simply required Lytle to pay a fine of \$250.00, to complete the six (6) hours required by R.C. § 1322.052, and to acknowledge that those six (6) credit hours could not be used toward any 2003 continuing education requirement. The Agreement further provided that if Lytle agreed and complied with the terms of the Agreement by September 30, 2003, the Division would issue her renewal license. The notice warned Lytle that if she did not settle the continuing education matter by September 30, 2003, the Division would take administrative action to deny her renewal application. Lytle did not respond to the Division's settlement offer, but instead filed a new loan officer license application on November 18, 2003.

The Division disapproves paragraph 10 on page 6 of the Report and Recommendation, which states:

[T]here was some substantial confusion among license-holders at the end of 2002 as to the processes that were being developed by the Division to implement the new provisions of the Ohio Mortgage Broker Act. Continuing education courses and instructors needed to be approved by the Division, and word of those approved courses needed to be disseminated to license-holders.

(Alteration added.) There is no evidence in the record to substantiate the statement that there was "substantial confusion among license-holders." The Broker Act requires license holders to complete at least six hours of approved continuing education by the end of each calendar year in which the license holder was licensed. The Division extended the deadline for 2002 continuing education to March 31, 2003. There is also no evidence to show that the Division did not approve courses and instructors and that the information was not available to licensees. The record does show however, that while this matter was pending, Lytle applied for approval to be a

continuing education instructor and the Division denied her request.<sup>1</sup> (See Respondent’s Exhibit 6.)

The Division disapproves paragraph 13 on page 6 of the Report and Recommendation. The record shows that Lytle was not confused about her 2002 continuing education requirement, but may have been confused about how to rectify the violation once the deadline had passed to settle the matter in accordance with the August 21, 2003 Settlement Agreement. The Division finds that the hearing officer’s analysis of R.C. §§ 1322.052 and 1322.10(A) is contrary to law, and his reasoning, that to hold otherwise would provide licensees no remedy for failing to comply with continuing education requirements, is faulty. The Division attempted to remedy Lytle’s non-compliance by offering to settle the matter for a fine of \$250.00 and completion of the required credit hours. (See Exhibit B1.)

The Division disapproves paragraph 14 on page 6 of the Report and Recommendation. In that paragraph the hearing officer notes that laws and or rules governing other types of professional licenses which have annual continuing educational requirements, specifically provide for the imposition of fines and completion of remedial education. The hearing officer then concludes, without performing any type of statutory comparison, that because R.C. Chapter 1322 licensees have an annual continuing education requirement, denial of Lytle’s 2003 renewal license would be inappropriate. In paragraph 14, the hearing officer also finds that Lytle had “shown good faith efforts” by completing six hours of continuing education in 2003. R.C. § 1322.502 does not provide for substantial compliance. Even so, the Division finds that completing six (6) credit hours of continuing education after failing to comply with the law, then ignoring the Division’s attempts to settle the matter does not amount to any “good faith” attempt.

The Division disapproves paragraphs 15, 16, 17 and the recommendation found on pages 6-7. The record establishes and the Division finds that Lytle failed to comply with R.C. 1322.052. The Division further finds that Lytle’s character and general fitness do not command the confidence of the public and warrant the belief that her business will be operated honestly and fairly in compliance with the purposes of the Ohio Mortgage Broker Act. The Division agrees that the record does not sufficiently establish that Lytle’s submission of a new loan officer license application in November 2003 amounted to an attempt to circumvent R.C. 1322.052, and does not base the final decision in this case on the unproven allegation.

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<sup>1</sup> The Division’s refusal to approve Lytle as a continuing education instructor is not at issue.

In accordance with the foregoing, the Division concludes that Lytle's 2003 renewal application for a loan officer license should be denied.

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 8<sup>th</sup> day of February 2005.

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**ROBERT M. GRIESER**

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

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