

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

In the matter of:)	Case No. 05-0232-LOD
)	
KAREN M. FLYNN)	<u>DIVISION ORDER</u>
4391 Race Road)	Denial of Loan Officer License Renewal Application
Cincinnati, Ohio 45211)	&
)	Notice of Appellate Rights
)	

Respondent, Karen Flynn (“Respondent”), held a mortgage broker loan officer license (“License”) issued by the Division of Financial Institutions (“Division”) during calendar year 2004. On December 23, 2005, the Division notified Respondent that it intended to deny her loan officer license renewal application (“Application”) because: (1) Respondent failed to comply with the 2004 continuing education (“CE”) requirement set forth in R.C. 1322.052; (2) because Respondent failed to comply with R.C. 1322.052 and did not meet the condition for renewal outlined in R.C. 1322.041(A)(4) & (B)(3), the Division has the authority to refuse to renew Respondent’s loan officer license; and (3) because Respondent’s 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. sections 1322.01 to 1322.12, the Ohio Mortgage Broker Act.

Respondent requested an administrative hearing, which was held on March 9, 2006. A Report and Recommendation (“Report”) was filed with the Division on October 6, 2006, recommending that the Division grant Respondent's renewal application. No objections were filed.

In accordance with R.C. 119.09, the Division has considered the record, consisting of the Report, 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. (A copy of the Report is attached).

The Division modifies the “Findings of Fact” beginning on page 1 and ending on page 5 of the Report.

Respondent testified that she was a licensed loan officer in the year 2004 and actively served as a loan officer that year with Premier Service Mortgage Corporation and Humphries Mortgage, Inc. (Tr., p. 72). Her testimony is supported by State's Exhibit F, which shows that Respondent's employment with Premier Service Mortgage Corporation was terminated on or about March 8, 2004. State's Exhibit G further supports that Respondent was a licensed loan officer in year 2004, evidencing an effective date of new employment with Humphries Mortgage, Inc. of March 3, 2004 as a loan officer. R.C. 1322.052 requires each person licensed as a loan officer to complete at least six hours of continuing education every calendar year. Respondent admitted that she was licensed as a loan officer in 2004 and admitted that she did not complete six hours of continuing education that year. (Tr., pp. 72-73).

The Division rejects paragraphs 9 and 10 on page 6 paragraph 12 on page 7 of the Report.

The issue of whether or not Respondent's license was ever in escrow is immaterial to the question at hand. There are only two relevant questions that must be asked and answered: (1) whether Respondent was a licensed loan officer in year 2004; and (2) whether Respondent completed the continuing education requirement in 2004. As discussed above, Respondent was a licensed loan officer in 2004 working for both Premier Service Mortgage Corporation and Humphries Mortgage, Inc. Respondent admitted that she did not take CE in 2004.

Further, R.C. 1322.031(E)(2) does not state that CE requirements are waived when a License is in escrow. R.C. Sections 1322.041 and 1322.052 require each person licensed as a loan officer to fulfill the CE requirements every calendar year. Therefore, it does not matter that Respondent "believed" she did not have an active license at the end of 2004 as stated in paragraph 10 of the Report. Respondent held a loan officer license in 2004; therefore, she was required to satisfy the mandatory CE requirement.

Following its review of the record and for the reasons stated above, the Division hereby rejects the hearing officer's recommendation and denies the renewal of Karen Flynn.

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 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 27th day of June 2007.

RICHARD F. KECK

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