

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

In the matter of:)	Case No. M2009-1095
)	
MFC MORTGAGE, INC. OF FLORIDA)	Notice of Intent to Refuse to Renew
851 Trafalgar Court, Suite 320 W)	Mortgage Broker Certificate of Registration
Maitland, FL 32751)	&
)	Notice of Opportunity for a Hearing
)	

JURISDICTION

The Ohio Department of Commerce, by and through the Superintendent of the Division of Financial Institutions ("Division"), is charged with the responsibility of administering and enforcing the Ohio Mortgage Broker Act, codified in Ohio Revised Code ("R.C.") Chapter 1322, and the rules adopted thereunder. In accordance therewith, the Division is accountable for the registration of mortgage brokers.

RESPONDENT

MFC MORTGAGE, INC. OF FLORIDA ("Respondent") is a foreign corporation that holds a certificate of registration issued by the Division to engage in business as a mortgage broker pursuant to R.C. Chapter 1322. Respondent's present address of record is 851 Trafalgar Court, Suite 320 W, Maitland, Florida 32751.

NOTICE OF PROPOSED ACTION

In accordance with R.C. Chapter 119 and R.C. 1322.10(A)(1), the Division intends to REFUSE to renew Respondent's certificate of registration for operating without an operations manager.

BASIS FOR PROPOSED ACTION

Pursuant to R.C. 1322.10(B), the Division has conducted an investigation of Respondent. As a result thereof, the Division has found the following:

- A. The Division is authorized by R.C. 1322.10(A)(1)(a) to refuse to renew a mortgage broker certificate of registration if the Division finds that the registrant has violated "or fail[ed] to comply with any provision 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[.]"
- B. Respondent holds certificate of registration number MB.802762.

- C. R.C. 1322.04(E) requires a registrant to designate another person to serve as operations manager whenever the person designated as operations manager is no longer the operations manager.
- D. Pursuant to 1301:8-7-12(I) of the Ohio Administrative Code, “if the individual designated as the operations manager ceases to act as operations manager for any reason... the registrant shall: (1) within thirty days designate another individual as the operations manager.”
- E. Pursuant to Ohio Admin. Code 1301: 8-7-12(N) “[a]n individual acting as an operations manager must hold an active loan officer license at all times while serving as operations manager. Should the individual’s license cease to be active for any reason, the individual’s operations manager approval is automatically terminated.”
- F. On or about April 24, 2009, Respondent submitted an application to renew its mortgage broker certificate of registration. That application remains pending.
- G. By letter dated November 24, 2009, Respondent informed the Division that its operations manager, Darlene Hall (LO.23319), had left the company on October 14, 2009 and would be replaced by Deanna M. Martin who had been hired on November 16, 2009.
- H. On November 16, 2009, Deanna M. Martin did not hold an active loan officer license. Ms. Martin once held loan officer license 020724 but said license was cancelled in 2007 when she failed to renew that license.
- I. Ms. Martin applied for a new license in March of 2006, but that application was denied for failure to meet the licensing criteria.
- J. Ms. Martin applied again for a new license in April of 2010 and that application remains pending.
- K. Ms. Martin is not a licensed loan officer. Therefore, Ms. Martin is ineligible to be designated as Respondent’s operations manager.
- L. Respondent has failed to designate a new operations manager pursuant to R.C. 1322.04(E) and Ohio Admin. Code 1301: 8-7-12(I).

As a result of the findings listed above, the Division has determined that:

- 1. Respondent’s designated operations manager, Ms. Martin, does not hold an active loan officer license.
- 2. Because Ms. Martin does not hold an active loan officer license, she is ineligible to service as Respondent’s operations manager pursuant to Ohio Admin. Code 1301: 8-7-12(N).
- 3. Respondent failed to designate a new operations manager in violation of R.C. 1322.04(E) and Ohio Admin. Code 1301: 8-7-12(I).

4. Because Respondent does not have an operations manager, it is in violation of R.C. 1322.04(E) and the Division is authorized to refuse to renew Respondent's mortgage broker certificate of registration pursuant to R.C. 1322.10(A)(1)(a).

NOTICE OF OPPORTUNITY FOR A HEARING ON PROPOSED ACTION

Therefore, pursuant to R.C. Chapters 1322 and 119, Respondent is hereby notified that thirty-one (31) days from the date of the mailing of this Notice, the Superintendent intends to issue an order refusing to renew Respondent's certificate of registration.

Respondent is further notified, pursuant to R.C. Chapter 119, that Respondent is entitled to a hearing on this matter. If Respondent desires to request a hearing, the request must be made in writing, and must be received in the offices of the Ohio Division of Financial Institutions within thirty (30) days of the time of the mailing of this Notice. Hearing requests should be addressed: Ohio Division of Financial Institutions, Attn: Lori A. Massey, Consumer Finance Attorney, 77 South High Street, 21st Floor, Columbus, Ohio 43215-6120.

At the hearing, Respondent may appear by Respondent's attorney, or Respondent may present its position, arguments, or contentions in writing, and, at the hearing, may present evidence and examine witnesses appearing for and against Respondent. A corporation should be represented by a person authorized to represent it in an administrative hearing, such as an attorney.

If the Ohio Division of Financial Institutions does not receive a written request for a hearing in its offices within thirty (30) days of the time of the mailing of this Notice, the Superintendent will issue an order refusing to renew Respondent's certificate of registration.

Signed and sealed this 7th day of May, 2010.

LEIGH A. WILLIS

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