

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

In the matter of:)	Case No. 04 - 0021-MBD
MORTGAGE QUEST, INC.)	Notice of Intent to Deny 2004 Renewal Application
226 SOUTH REYNOLDS ROAD)	&
TOLEDO, OH 43615)	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.

RESPONDENT

MORTGAGE QUEST, INC. ("Respondent") is an company that held a certificate of registration issued by the Division to engage in business as a mortgage broker pursuant to R.C. Chapter 1322. Respondent's mortgage broker certificate of registration expired on April 30, 2004, and Respondent filed an application to renew its certificate of registration; that renewal application remains pending. Respondent's business address of record is 226 SOUTH REYNOLDS ROAD, TOLEDO, OH 43615.

NOTICE OF PROPOSED ACTION

In accordance with sections 1322.04 and 1322.10 of the R.C., and R.C. Chapter 119, the Division intends to DENY Respondent's 2004 renewal application for a mortgage broker certificate of registration.

BASIS FOR PROPOSED ACTION

The Division has conducted an investigation of Respondent, pursuant to R.C. 1322.10(B), and has found the following:

- A. The Division is empowered by R.C. 1322.04(B)(2) to renew an applicant's mortgage broker certificate of registration if the Division finds on and after January 1, 2003, the operations manager designated under section 1322.03 of the Revised Code has completed, during the immediately preceding calendar year, at least six hours of continuing education.
- B. The Division is empowered by R.C. 1322.04(B)(3) to renew an applicant's mortgage broker certificate of registration if the Division finds, among other things, that the applicant has complied with 1322.04(A)(10) in 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 R.C. 1322.01 to 1322.12.
- C. The Division is authorized by R.C. 1322.10(A)(1)(a) to refuse to renew an applicant's mortgage broker certificate of registration if the Division finds that the applicant 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 under a certificate of registration[.]"

- D. R.C. 1322.052 requires every operations manager to complete at least six (6) hours of approved continuing education ("CE") every calendar year (by December 31st).
- E. Respondent failed to comply with the 2003 CE requirements as required by R.C. 1322.052.
- F. Because Respondent failed to comply with R.C. 1322.052, the Division finds that Respondent did not meet the prerequisite for certificate of registration renewal found in R.C. 1322.04(B)(2).
- G. Because Respondent failed to comply with R.C. 1322.052, the Division finds 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 the Ohio Mortgage Broker Act, thereby failing to meet the prerequisite for certificate of registration renewal found in R.C. 1322.04(B)(3). See R.C. 1322.04(A)(10) & (B)(3)
- H. Because Respondent failed to comply with R.C. 1322.052 and did not meet the conditions outlined in R.C. 1322.04(A)(10), (B)(2) and (3), the Division has the authority to refuse to renew Respondent's mortgage broker certificate of registration.

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 denying the application for renewal of Respondent's mortgage broker 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: Amanda Axtell—Consumer Finance Legal Counsel , 77 South High Street, 21st Floor, Columbus, Ohio 43215-6120.

At the hearing, Respondent may appear in person, by Respondent's attorney, or by such other representative as is permitted to practice before the Agency, 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.

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 denying Respondent's mortgage broker certificate of registration renewal.

Signed and sealed this 7th day of December 2004.

ROBERT M. GRIESER

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