

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

In the matter of:)	Case No. 04-0021-MBD
)	
MORTGAGE QUEST, INC.)	<u>DIVISION ORDER</u>
226 South Reynolds Road)	Denial of Mortgage Broker Renewal Application
Toledo, OH 43615)	&
)	Notice of Appellate Rights
)	

WHEREAS, the Ohio Department of Commerce, by and through the Superintendent of the Division of Financial Institutions ("Division"), and charged with the responsibility of administering and enforcing the Ohio Mortgage Broker Act, as codified in Ohio Revised Code ("R.C.") Chapter 1322, the Division finds that this Order is necessary and appropriate, in the interest of the public, and is consistent with the purposes of the Ohio Mortgage Broker Act; and

WHEREAS, the Division renewed Mortgage Quest, Inc.'s ("Respondent") a mortgage broker certificate of registration for calendar year 2003;

WHEREAS, Respondent's mortgage broker certificate of registration expired on April 30, 2004, and Respondent filed an application to renew its certificate of registration, and the renewal application remains pending; and

WHEREAS, on January 7, 2005, the Division issued Respondent a Notice that informed it that the Division had conducted an investigation of Respondent and, as a result thereof, alleged that:

- 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.

WHEREAS, the Notice informed Respondent of the Division’s intent to deny its 2004 loan certificate of registration renewal application and of the opportunity for a hearing regarding the denial if requested within thirty days from the mailing of the Notice. The Notice further cautioned Respondent that “[i]f the Ohio Division of Financial Institutions d[id] not receive a written request for a hearing in its offices within thirty (30) days of the time of the mailing of th[e] Notice, the Superintendent w[ould] issue an order denying the application for renewal of Respondent’s mortgage broker certificate of registration[;]”

WHEREAS, the Division was unable to obtain service upon Respondent at the address Respondent provided, and the Division published the Notice in accordance with R.C. Chapter 119 in *The Blade* for three (3) consecutive weeks;

WHEREAS, Respondent failed to request a hearing by the statutory deadline and thereby failed to defend against the Division’s allegations;

WHEREAS, the Division finds that the allegations contained in the Notice are true and that Respondent’s renewal application should be denied;

Respondent, Mortgage Quest, Inc.’s mortgage broker certificate of registration renewal application is hereby DENIED.

NOTICE OF APPELLATE RIGHTS

Respondent is hereby notified that this Order may be appealed, pursuant to R.C. 119.12, 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 22nd day of March 2007.

RICHARD F. KECK

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