



Description



OHIO MORTGAGE BROKER ACT - MORTGAGE BANKER EXEMPTION

Who may apply for this exemption?

A legal person (which includes individuals, corporations, partnership, limited liability companies and any other legal organization recognized by the State of Ohio.) that makes, services, buys or sells residential mortgage loans secured by a first lien, that underwrites the loans, and that meets at least one of the following criteria:

- The person has been directly approved by the United States Department of Housing and Urban Development as a nonsupervised mortgagee with participation in the direct endorsement program.
- The person has been directly approved by FannieMae as a seller/servicer.
- The person has been directly approved by FreddieMac as a seller/servicer.
- The person has been directly approved by the United States Department of Veteran Affairs as a nonsupervised automatic lender.

Please note, **these entities are exempt from the Mortgage Broker Act only to the extent that the business they engage in is authorized by one of the above approvals.** Any business engaged in outside of one of these approvals – including brokering - may trigger a requirement to hold a Mortgage Broker Act Certificate of Registration instead.

Pre-requisites for approved exemption applications?

- Surety Bond
 - Applicants that choose to provide a surety bond which covers the origination activity of the loan originators employed by the mortgage banker must provide a copy of the surety bond issued by a bonding company or insurance company authorized to do business in Ohio. The bond must meet the following criteria:
 - Must be in favor of the Superintendent of Financial Institutions.
 - Must be in the penal sum of one half percent of the aggregate loan amount of residential mortgage loans originated in the immediately preceding calendar year, not to exceed \$150,000.
 - Under no circumstances can the bond be less than \$50,000 plus an additional penal sum of \$10,000 for each branch location.
 - The term of the bond must coincide with the term of registration in Ohio.
 - The name of the principal insured on the bond must match exactly the full legal name of the applicant.
- List of Loan Originators
 - Submit a list of all loan originators under the mortgage banker's control and direction.

WHO TO CONTACT: Contact a Licensing staff member at (614) 644-6484 or webdfi-cf@com.state.oh.us .

This document is a summary of some of the Ohio exemption requirements. All applicants have a duty to be familiar with all aspects of the Ohio Mortgage Broker Act (ORC 1322) and should read the statute and administrative rules prior to applying to the Ohio Division of Financial Institutions for an exemption.

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING. THE JURISDICTION SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH THE NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.