

# AN ACT

To amend sections 1155.08, 1163.11, 1322.01, 1322.02, 1322.03, 1322.04, 1322.10, 1322.101, and 1343.011, to enact new section 1322.05, and to repeal section 1322.05 of the Revised Code to modify the registration requirements of mortgage brokers; to require that mortgage loans be originated from a location at which the mortgage broker registration certificate is maintained; to require that a mortgage broker business location be in this state; to eliminate the net worth requirements of mortgage brokers and to substitute certain surety bond requirements; to specify fines to be charged for a violation of a law or rule adopted under the Mortgage Broker Law; to eliminate the requirement that the board of directors or auditing committee of a savings and loan association or savings bank attest to the contents of annual and semiannual reports filed with the Superintendent of Financial Institutions; to eliminate the requirement that a savings and loan association or savings bank publish its annual statement of assets and liabilities in a local newspaper; and to expressly state that the statutory limitation on discount points received by a residential mortgage lender is not a limitation on discount points or other charges for purposes of the federal "Depository Institutions Deregulation and Monetary Control Act of 1980."

*Be it enacted by the General Assembly of the State of Ohio:*

SECTION 1. That sections 1155.08, 1163.11, 1322.01, 1322.02, 1322.03, 1322.04, 1322.10, 1322.101, and 1343.011 be amended and new section 1322.05 of the Revised Code be enacted to read as follows:

Sec. 1155.08. (A)(1) The annual and semiannual reports required from a ~~building~~ savings and loan association by section 1155.07 of the Revised Code shall be in ~~such a~~ such form and contain ~~such~~ such information ~~as that~~ as is prescribed by the superintendent of ~~building and loan associations~~. ~~They shall be sworn to by the managing officer of the association to the best of his knowledge and belief, and their correctness may be attested to by at least three of its directors or an auditing committee appointed by its board of directors~~ financial institutions. The original annual and semiannual reports shall be filed with the superintendent within thirty days after the close of the respective half year. ~~The annual statement of assets and liabilities shall be published in a newspaper or periodical, regularly issued and of general circulation in the county in which such association is located.~~ A

~~(2)~~ A copy of the annual statement ~~as published~~ of condition shall be available for public inspection on demand at the association's place of business.

(B) All monthly reports which may be required by the superintendent shall be filed by the tenth day of the succeeding month.

(C) When an association is in process of liquidation, the liquidating officers shall make all reports to the superintendent that are required by law from solvent associations.

Sec. 1163.11. (A)(1) The annual and semiannual reports required from a savings bank by section 1163.09 of the Revised Code shall be in a form and contain information that is prescribed by the superintendent of ~~savings banks~~, ~~they shall be sworn to by the managing officer of the savings bank to the best of his knowledge and belief, and their correctness may be attested to by at least three of its directors or an auditing committee appointed by its board of directors~~ financial institutions. The original annual and semiannual reports shall be filed with the superintendent within thirty days after the close of the respective half year. ~~The annual statement of assets and liabilities shall be published in a newspaper or periodical, regularly issued and of general circulation in the county in which the savings bank is located.~~ A

~~(2)~~ A copy of the annual statement ~~as published~~ of condition shall be available for public inspection on demand at the savings bank's place of business.

(B) All monthly reports that may be required by the superintendent shall

be filed by the tenth day of the succeeding month.

(C) When a savings bank is in process of liquidation, the liquidating officers shall make all reports to the superintendent that are required by law from solvent savings banks.

Sec. 1322.01. As used in sections 1322.01 to 1322.12 of the Revised Code:

(A) "Buyer" means an individual who is solicited to purchase or who purchases the services of a mortgage broker for purposes other than obtaining a business loan as described in division (B)(6) of section 1343.01 of the Revised Code.

(B) "Consumer reporting agency" has the same meaning as in the "Fair Credit Reporting Act," 84 Stat. 1128, 15 U.S.C.A. 1681a, as amended.

(C) "Mortgage" means any indebtedness secured by a deed of trust, security deed, or other lien on real property.

(D) "Mortgage banker" means any person that makes, services, or buys and sells mortgage loans, and is ~~approved as a direct endorsement lender required to submit audited financial statements to, and is subject to a possible audit by, the United States department of housing and urban development, the United States department of veterans affairs, the federal national mortgage association, the federal home loan mortgage corporation, or the government national mortgage association, or an approved correspondent with the United States department of housing and urban development.~~

(E) "Mortgage broker" means a person that, in the regular course of business, holds ~~himself, herself, or itself~~ that person out as being able to assist a buyer in obtaining a mortgage and charges or receives money or other valuable consideration readily convertible into money for providing this assistance. "Mortgage broker" does not include any of the following:

(1) A person that makes or collects loans, to the extent these activities are subject to licensure or registration by this state;

(2) A lender approved by the United States secretary of housing and urban development for participation in a mortgage insurance program under the "National Housing Act," 48 Stat. 1246 (1934), 12 U.S.C.A. 1701, as amended;

(3) A bank, savings bank, ~~or~~ savings and loan association, or a subsidiary or ~~an~~ affiliate of a bank, savings bank, or savings and loan association. For purposes of division (E)(3) of this section, "affiliate" has the same meaning as in division (A) of section 1101.01 of the Revised Code, and "bank," as used in division (A) of section 1101.01 of the Revised Code, is deemed to include a savings bank or savings and loan association.

(4) A credit union organized and qualified under Chapter 1733. of the Revised Code or the "Federal Credit Union Act," 84 Stat. 994 (1970), 12 U.S.C.A. 1751, as amended;

(5) A budget and debt counseling service, as defined in division (D) of section 2716.03 of the Revised Code, provided that the service is a nonprofit organization exempt from taxation under section 501(c)(3) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 501, as amended, and that the service is in compliance with Chapter 4710. of the Revised Code;

(6) A consumer reporting agency that is in substantial compliance with the "Fair Credit Reporting Act," 84 Stat. 1128, 15 U.S.C.A. 1681a, as amended;

(7) A mortgage banker;

(8) Any political subdivision, or any governmental or other public entity, corporation, or agency, in or of the United States or any state of the United States;

(9) A college or university, or controlled entity of a college or university, as defined in section 1713.05 of the Revised Code.

(F) "Registrant" means any person that has been issued a certificate of registration under sections 1322.01 to 1322.12 of the Revised Code.

(G) "Superintendent of financial institutions" includes the deputy superintendent for consumer finance as provided in section 1181.21 of the Revised Code.

Sec. 1322.02. (A) No person, on the person's own behalf or on behalf of any other person, shall act as a mortgage broker without first having obtained a certificate of registration from the superintendent of financial institutions for the person's main office and for every other office to be maintained by the person for the transaction of business as a mortgage broker in this state. A registrant shall maintain an office location in this state for the transaction of business as a mortgage broker in this state.

(B) No registrant or employee of a registrant shall originate a mortgage loan, unless the mortgage loan is originated at a location where the registrant's certificate of registration is maintained, and where the registrant or the employee of the registrant regularly transacts mortgage broker business.

(C) No person shall originate mortgage loans for a registrant, unless that person is an employee of the registrant.

(D) As used in this section:

(1) "Employee" means a person who may be required or directed by a registrant to originate mortgage loans in consideration of direct or indirect gain or profit. "Employee" does not include an independent contractor or

any person WHO has a similar employment relationship with a mortgage broker.

(2) "Originate" means any of the following:

(a) To negotiate or arrange, or to offer to negotiate or arrange, a mortgage loan between a person that makes or funds mortgage loans and a buyer;

(b) To issue a commitment for a mortgage loan to a buyer;

(c) To place, assist in placement, or find a mortgage loan for a buyer.

Sec. 1322.03. (A) An application for a certificate of registration as a mortgage broker shall be in writing, under oath, and in the form prescribed by the superintendent of financial institutions. The application shall be accompanied by an application fee of three hundred fifty dollars for each location of an office to be maintained by the applicant in accordance with division (A) of section 1322.02 Of the Revised Code and shall provide all of the following:

(1) The location or locations where the business is to be transacted and whether any location is a residence. If any location where the business is to be transacted is a residence, the application shall be accompanied by a certified copy of a zoning permit authorizing the use of the residence for commercial purposes, or shall be accompanied by a written opinion or other document issued by the county or political subdivision where the residence is located certifying that the use of the residence to transact business as a mortgage broker is not prohibited by the county or political subdivision. The application also shall be accompanied by a photograph of each location at which the business will be transacted.

(2)(a) In the case of a sole proprietor, the name and address of the sole proprietor;

(b) In the case of a partnership, the name and address of each partner;

(c) In the case of a corporation, the name and address of each shareholder owning five per cent or more of the corporation;

(d) in the case of any other entity, the name and address of any person that owns five per cent or more of the entity that will transact business as a mortgage broker.

(3)(a) If the applicant is a partnership, the applicant shall designate one of the partners named in the application pursuant to division (A)(2)(b) of this section as responsible for managing the operations of the location or locations where the business is to be transacted.

(b) If the applicant is a corporation, the applicant shall designate one of the shareholders named in the application pursuant to division (A)(2)(c) of this section as responsible for managing the operations of the location or

cations where the business is to be transacted.

(c) if the applicant is any other entity, the applicant shall designate a natural person that owns five per cent or more of the entity that will transact business as a mortgage broker as responsible for managing the operations of the location or locations where the business is to be transacted.

(4) Evidence that at least one of the following applies to the sole proprietor, partner, ~~or~~ shareholder, or natural person designated on the application pursuant to division (A)(3) of this section as responsible for managing the operations of the location or locations where the business is to be transacted:

(a) ~~The~~ Except as provided in division (D)(2) of this section, the sole proprietor, partner, ~~or~~ shareholder, or natural person has earned at least an ~~associate's~~ associate degree in an area relating to finance, banking, or business administration, and the degree was earned at an accredited college or university, including an accredited community or technical college.

(b) The sole proprietor, partner, ~~or~~ shareholder, or natural person possesses at least three years of experience in the mortgage and lending field, which experience may include employment with or as a mortgage broker or with a financial institution, mortgage lending institution, or other lending institution, or possesses at least three years of other experience related specifically to the business of mortgage loans that the superintendent determines meets the requirements of division (A)(4)(b) of this section. ~~Evidence of experience submitted with the application may include letters of employment from present or prior employers.~~

(5) Evidence of compliance with the ~~financial~~ surety bond requirements of section 1322.05 of the Revised Code and with sections 1322.01 to 1322.12 of the Revised Code;

(6) In the case of a foreign corporation, evidence that it maintains a license pursuant to Chapter 1703. of the Revised Code to transact business in this state;

(7) A statement that the applicant has not been convicted of or pleaded guilty to a criminal offense, the violation of which is a felony, or any criminal offense involving fraud;

(8) Any further information that the superintendent requires.

(B) Upon the filing of the application and payment of the application fee, the superintendent shall investigate the applicant. If, in order to issue a certificate of registration to an applicant, investigation by the superintendent outside this state is necessary, the superintendent may require the applicant to advance sufficient funds to pay the actual expenses of the investigation, if it appears that these expenses will exceed three hundred fifty dollars. The

superintendent shall provide the applicant with an itemized statement of the actual expenses that the applicant is required to pay.

(C) All funds advanced and application and renewal fees paid to the superintendent under this section and section 1322.04 of the Revised Code shall be paid by the superintendent to the treasurer of state to the credit of the consumer finance fund created in section 1321.21 of the Revised Code.

(D)~~(1)~~ Division (A)(4) of this section does not apply to any registrant that, ~~on the effective date of this amendment~~ March 4, 1996, is registered as a mortgage broker under sections 1322.01 to 1322.12 of the Revised Code under a certificate of registration issued pursuant to those sections prior to ~~the effective date of this amendment~~ March 4, 1996, provided that the certificate of registration is not surrendered by the registrant or revoked or refused renewal by the superintendent of ~~consumer finance~~ financial institutions at any time after ~~the effective date of this amendment~~ March 4, 1996.

(2) Except as provided in division (D)(3) of this section, on and after the effective date of this amendment, Evidence of education provided in division (A)(4)(a) of this section shall not be accepted on an application of a person applying as a new applicant for a certificate of registration as a mortgage broker. However, On and after the effective date of this amendment, a person who, prior to that date, submitted evidence of education as provided for in division (A)(4)(a) of this section may renew a certificate of registration as a mortgage broker, provided that the person is registered on that date as a mortgage broker pursuant to section 1322.04 of the Revised Code, and a certificate of registration as a mortgage broker is not surrendered by the person or revoked or refused renewal by the superintendent at any time after that date.

(3) For a period ending three years after the effective date of this amendment, evidence that the person designated as responsible for managing the operation of a location or locations where business is or will be transacted meets the educational requirements specified in division (A)(4)(a) of this section shall be acceptable on an application for a certificate of registration as a mortgage broker, if the superintendent determines that both of the following apply:

(a) Prior to the effective date of this amendment, the person was designated pursuant to division (A)(3) of this section as responsible for managing the operations OF a LOCATION Or LOCATIONS WHERE a registrant's BUSINESS was TRANSACTED, having met the educational requirements provided in division (A)(4)(a) of this section;

(b) The person is designated as responsible for managing the operations

of an entity described in division (A)(2) of this section WHERE the mortgage broker business is or will be transacted.

Sec. 1322.04. (A) Upon the conclusion of the investigation required under division (B) of section 1322.03 of the Revised Code, the superintendent of financial institutions shall issue a certificate of registration to the applicant if the superintendent finds that the following conditions are met:

(1) The application is accompanied by the application fee of three hundred fifty dollars for each location of an office to be maintained by the applicant in accordance with division (A) of section 1322.02 Of the Revised Code and complies with division (A) of section 1322.03 of the Revised Code.

(2) If the application is for a location that is a residence, that the applicant has obtained a valid zoning permit authorizing the use of the residence for commercial purposes, or has obtained a valid written opinion or other document issued by the county or political subdivision where the residence is located certifying that the use of the residence to transact business as a mortgage broker is not prohibited by the county or political subdivision. The application also is accompanied by a photograph of each location at which the mortgage broker's business will be transacted.

(3)(a) The sole proprietor, partner, ~~or~~ shareholder, or natural person designated on the application, pursuant to division (A)(3) of section 1322.03 of the Revised Code, as responsible for managing the operation of the location or locations where the business is to be transacted meets the educational or experience requirements ~~described~~ provided in division (A)(4) of section 1322.03 of the Revised Code.

(b) If a partner, shareholder, or natural person designated pursuant to division (A)(3) of section 1322.03 of the Revised Code ceases to be responsible for managing the operation of the location or locations where the business is to be transacted, the applicant shall comply with the requirements that apply to a registrant under division (E) of this section.

(4) In the case of a foreign corporation, the applicant maintains a license pursuant to Chapter 1703. of the Revised Code to transact business in this state.

(5) The applicant complies with the ~~financial~~ surety bond requirements of section 1322.05 of the Revised Code.

(6) The applicant complies with sections 1322.01 to 1322.12 of the Revised Code.

(7) The applicant has not pleaded guilty to or been convicted of a criminal offense, the violation of which is a felony, or any criminal offense

involving fraud.

(8) The applicant's financial responsibility, experience, 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 sections 1322.01 to 1322.12 of the Revised Code.

For purposes of determining whether an applicant that is a partnership ~~or~~, corporation, ~~or other entity~~ has met the conditions set forth in division (A)(8) of this section, the superintendent shall determine which partners ~~or~~, shareholders, ~~or persons~~ named in the application pursuant to division (A)(2) of section 1322.03 of the Revised Code must meet the conditions set forth in division (A)(8) of this section. This determination shall be based on the extent and nature of the partner's ~~or~~, shareholder's, ~~or person's~~ ownership interest in the partnership ~~or~~, corporation, ~~or entity~~ that is the applicant.

(B) The certificate of registration issued pursuant to division (A) of this section may be renewed annually on or before the thirtieth day of April upon payment of a renewal fee of three hundred fifty dollars for each location of an office to be maintained by the applicant in accordance with division (A) of section 1322.02 Of the Revised Code and a finding by the superintendent that the applicant meets the conditions set forth in divisions (A)(2) to (8) of this section and that the applicant's certificate of registration is not subject to an order of suspension or revocation by the superintendent. If a renewal fee is ~~submitted to~~ received by the superintendent after the thirtieth day of April ~~but prior to the first day of June, the fee shall be accompanied by a late renewal fee of one hundred dollars for each location of an office maintained by the applicant for which the renewal fee is late, the certificate of registration shall not be considered renewed, and the applicant shall cease activity as a mortgage broker and apply for a certificate of registration as a mortgage broker.~~

(C) No application; or renewal; ~~or late renewal~~ fee required by division (A) or (B) of this section shall be returned after a certificate of registration has been issued or renewed by the superintendent.

(D) Division (A)(3) of this section does not apply to any registrant that, ~~on the effective date of this amendment~~ March 4, 1996, is registered as a mortgage broker under sections 1322.01 to 1322.12 of the Revised Code under a certificate of registration issued pursuant to those sections prior to ~~the effective date of this amendment~~ March 4, 1996, provided that the certificate of registration is not surrendered by the registrant or revoked or refused renewal by the superintendent of ~~consumer finance~~ financial institutions at any time after ~~the effective date of this amendment~~ March 4, 1996.

(E) If a partner, shareholder, or natural person designated pursuant to division (A)(3) of section 1322.03 of the Revised Code is no longer responsible for managing the operation of the location or locations where business is to be transacted, the registrant shall do all of the following:

(1) Designate another partner, shareholder, or natural person as responsible for managing the operation of the location or locations where business is to be transacted;

(2) Within ten days after the designation described in division (E)(1) of this section, notify the superintendent in writing of the designation;

(3) Submit any additional information that the Superintendent requires to establish that the newly designated partner, shareholder, or natural person complies with the experience requirements set forth in division (A)(4)(b) of section 1322.03 of the Revised Code.

Sec. 1322.05. (A) No registrant shall conduct business in this state, unless the registrant has obtained a corporate surety bond issued by a bonding company or insurance company authorized to do business in this state. The bond shall be in favor of the superintendent of financial institutions and in the penal sum of at least twenty-five thousand dollars and an additional penal sum of five thousand dollars for each location, in excess of one, at which the registrant conducts business. A copy of the bond shall be filed with the superintendent. The bond shall be for the exclusive benefit of any person injured by a violation of any provision of sections 1322.01 to 1322.12 of the Revised Code. THE AGGREGATE LIABILITY OF THE CORPORATE SURETY FOR ANY AND ALL BREACHES OF THE CONDITIONS OF THE BOND SHALL NOT EXCEED THE PENAL SUM OF THE BOND.

(B) The registrant shall give notice to the superintendent by certified mail of any action that is brought against the registrant and of any judgment that is entered against the registrant by a person injured by a violation of any provision of sections 1322.01 to 1322.12 of the Revised Code. The notice shall provide details sufficient to identify the action or judgment, and shall be filed with the superintendent within ten days after the commencement of the action or notice to the registrant of entry of a judgment. The corporate surety, within ten days after it pays any claim or judgment, shall give notice to the superintendent by certified mail of the payment, with details sufficient to identify the person and the claim or judgment paid.

(C) Whenever the penal sum of the corporate surety bond is reduced by one or more recoveries or payments, the registrant shall furnish a new or additional bond under this section, so that the total or aggregate penal sum of the bond or bonds equals the sum required by this section, or shall furnish

an endorsement executed by the corporate surety reinstating the bond to the required penal sum of it.

(D) The liability of the corporate surety on the bond to the superintendent and to any person injured by a violation of any provision of sections 1322.01 to 1322.12 of the Revised Code shall not be affected in any way by any misrepresentation, breach of warranty, or failure to pay the premium, by any act or omission upon the part of the registrant, by the insolvency or bankruptcy of the registrant, or by the insolvency of the registrant's estate. The liability for any act or omission that occurs during the term of the corporate surety bond shall be maintained and in effect for at least two years after the date on which the corporate surety bond is terminated or canceled.

(E) The corporate surety bond shall not be canceled by the registrant or the corporate surety except upon notice to the superintendent by certified mail, return receipt requested. The cancellation shall not be effective prior to thirty days after the superintendent receives the notice.

(F) No registrant shall fail to comply with this section.

Sec. 1322.10. (A) After notice and opportunity for a hearing conducted in accordance with Chapter 119. of the Revised Code, the superintendent of financial institutions may ~~suspend~~ do the following:

(1) Suspend, revoke, or refuse to issue or renew a certificate of registration if the superintendent finds a violation of division (B) of section 1322.02 or 1322.06, or section 1322.05, 1322.07, 1322.08, or 1322.09 of the Revised Code or the rules adopted ~~thereunder~~ under those sections;

(2) Impose a fine of not more than one thousand dollars, for each day a violation of a law or rule is committed, repeated, or continued. If the registrant engages in a pattern of repeated violations of a law or rule, the superintendent may impose a fine of not more than two thousand dollars for each day the violation is committed, repeated, or continued. All fines collected pursuant to this division shall be paid to the treasurer of state to the credit of the consumer finance fund created in section 1321.21 of the Revised Code. in determining the amount of a fine to be imposed pursuant to this division, the superintendent shall consider all of the following:

(a) the seriousness of the violation;

(b) the registrant's good faith efforts to prevent the violation;

(c) the registrant's history regarding violations and compliance with division orders;

(d) the registrant's financial resources;

(e) any other matters the superintendent considers appropriate in enforcing sections 1322.01 to 1322.12 Of the Revised Code.

(B) The superintendent may investigate alleged violations of section 1322.01 to 1322.12 of the Revised Code, or the rules adopted ~~thereunder,~~ under those sections or complaints concerning any such violation. The superintendent may make application to the court of common pleas for an order enjoining any such violation, and, upon a showing by the superintendent that a person has committed, or is about to commit, such a violation, the court shall grant an injunction, restraining order, or other appropriate relief.

(C) In conducting any investigation pursuant to this section, the superintendent may compel, by subpoena, witnesses, to testify in relation to any matter over which the superintendent has jurisdiction, and may require the production of any book, record, or other document pertaining to ~~such~~ that matter. If a person fails to file any statement or report, obey any subpoena, give testimony, produce any book, record, or other document as required by ~~such~~ a subpoena, or permit photocopying of any book, record, or other document subpoenaed, the court of common pleas of any county in this state, upon application made to it by the superintendent, shall compel obedience by attachment proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued from the court or a refusal to testify therein.

(D) If the superintendent determines that a person is engaged in, or is believed to be engaged in, activities that may constitute a violation of sections 1322.01 to 1322.12 of the Revised Code, the superintendent ~~may,~~ after notice and a hearing conducted in accordance with Chapter 119. of the Revised Code, may issue a cease and desist order. Such an order shall be enforceable in the court of common pleas.

Sec. 1322.101. On receipt of a notice pursuant to section 2301.373 of the Revised Code, the division of ~~consumer finance~~ financial institutions shall comply with that section with respect to a certificate issued pursuant to this chapter.

Sec. 1343.011. (A) As used in this section:

(1) "Discount points" means any charges, whether or not actually denominated as "discount points," ~~which~~ that are paid by the seller or the buyer of residential real property to a residential mortgage lender or ~~which~~ that are deducted and retained by a residential mortgage lender from the proceeds of the residential mortgage. "Discount points ~~do~~ does not include the costs associated with settlement services as defined in the "Real Estate Settlement Procedures Act of 1974," 88 Stat. 1724, 12 U.S.C. 2601, amendments thereto, reenactments thereof, enactments parallel thereto, or in substitution therefor, or regulations issued thereunder.

(2) "Residential mortgage" means an obligation to pay a sum of money evidenced by a note and secured by a lien upon real property located within this state containing two or fewer residential units or on which two or fewer residential units are to be constructed and includes such an obligation on a residential condominium or cooperative unit.

(3) "Residential mortgage lender" means any person, bank, or savings and loan association ~~which that~~ lends money or extends or grants credit and obtains a residential mortgage to assure payment of the debt. The term ~~shall~~ also ~~include~~ includes the holder at any time of a residential mortgage obligation.

(B) Except residential mortgage loans described in division (B)(3) of section 1343.01 of the Revised Code, no residential mortgage lender shall receive either directly or indirectly from a seller or buyer of real estate any discount points in excess of two per cent of the original principal amount of the residential mortgage. This division is not a limitation on discount points or other charges for purposes of section 501(b)(4) of the "Depository Institutions Deregulation and Monetary Control Act of 1980," 94 Stat. 161, 12 U.S.C.A. 1735f-7a.

(C) Residential mortgage obligations contracted for on or after November 4, 1975, may be prepaid or refinanced without penalty at any time after five years from the execution date of ~~such the~~ mortgage. Prior to such time a prepayment or refinancing penalty may be provided not in excess of one per cent of the original principal amount of the residential mortgage.

SECTION 2. That existing sections 1155.08, 1163.11, 1322.01, 1322.02, 1322.03, 1322.04, 1322.10, 1322.101, and 1343.011 and section 1322.05 of the Revised Code are hereby repealed.

SECTION 3. With respect to any person that, on the effective date of this act, is registered as a mortgage broker under sections 1322.01 to 1322.12 of the Revised Code under a certificate of registration issued prior to that date, section 1322.02 of the Revised Code, as amended by this act, and section 1322.05 of the Revised Code, as repealed and reenacted by this act, first apply upon the renewal of the person's certificate of registration in 1999.

SECTION 4. The amendment by this act of section 1343.011 of the Revised Code is intended as a clarification of existing law and not as a substantive change in the law.

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*Speaker \_\_\_\_\_ of the House of Representatives.*

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*President \_\_\_\_\_ of the Senate.*

Passed \_\_\_\_\_, 20\_\_\_\_

Approved \_\_\_\_\_, 20\_\_\_\_

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*Governor.*

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

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*Director, Legislative Service Commission.*

Filed in the office of the Secretary of State at Columbus, Ohio, on the  
\_\_\_\_ day of \_\_\_\_\_, A. D. 20\_\_\_\_.

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*Secretary of State.*

File No. \_\_\_\_\_ Effective Date \_\_\_\_\_