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S.B. 264
134th General Assembly

Bill Analysis

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Version: As Passed by the Senate

Primary Sponsor: Sen. Brenner

Carla Napolitano, Attorney

SUMMARY

- Permits a registered mortgage lender, servicer, or broker, or an entity exempted from registration, to allow a mortgage loan originator or any other person associated with the registrant or entity to work remotely if certain conditions are met.
- Allows the Superintendent of Financial Institutions to charge a registrant or entity an annual fee of up to \$25 per remote location to cover the costs associated with administering the bill's provisions.

DETAILED ANALYSIS

The bill authorizes mortgage companies and other entities that employ licensed mortgage personnel to allow their personnel to conduct mortgage business from a remote work location. More specifically, the bill permits a mortgage lender, servicer, or broker that is registered under Ohio's Residential Mortgage Lending Act (RMLA), or an entity exempt from registration (such as a depository institution or a credit union service organization), to allow a licensed mortgage loan originator or any other person associated with the registrant or entity to transact business on behalf of the registrant or entity from a location other than the registrant's or entity's principal office or a branch office if certain conditions are met. A mortgage loan originator is an individual who, for compensation or gain, (1) takes a residential mortgage loan application, (2) assists or offers to assist a buyer in obtaining or applying to obtain a loan by, among other things, advising on loan terms, (3) offers or negotiates terms of a loan, or (4) issues or offers to issue a commitment for a loan to a buyer.

Under the bill, the registrant can allow remote work if all of the following apply:

- The registrant or entity has a written policy governing supervision of the mortgage loan originator or other associated person while the originator or person transacts business on behalf of the registrant or entity from the remote location.

- Access to the registrant’s or entity’s platform and customer information is in accordance with the registrant’s or entity’s written information security plan.
- The originator or other person does not interact with a customer at the originator’s or person’s residence, unless the residence is the registrant’s or entity’s principal office or a branch office.
- Physical records are not maintained at the remote location.¹

The bill allows the Superintendent of Financial Institutions to charge a registrant or entity an annual fee to cover the costs associated with administering the above provisions. The fee cannot exceed \$25 for each remote location. Under continuing law, a registrant or entity exempt from registration must, through its operations manager or otherwise, supervise the mortgage loan originator or other person, as well as establish procedures to avoid violations of the RMLA by the originator or other person.²

HISTORY

Action	Date
Introduced	11-16-21
Reported, S. Financial Institutions and Technology	03-30-22
Passed Senate (32-1)	03-30-22

ANSB0264PS-134/ar

¹ R.C. 1322.43(C)(1) and R.C. 1322.01, not in the bill.

² R.C. 1322.43 and R.C. 1322.29, not in the bill.