



Commonwealth of Kentucky
Public Protection Cabinet
Department of Financial Institutions

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FOR IMMEDIATE RELEASE

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**DEPARTMENT OF FINANCIAL INSTITUTIONS JOINS
MULTISTATE ENFORCEMENT ACTION
STATE REGULATORS SETTLE WITH HUNDREDS OF MORTGAGE LOAN
ORIGINATORS**

FRANKFORT, Ky. (Jan. 24, 2022) – The Kentucky Department of Financial Institutions (DFI) and financial regulatory agencies from 42 other states reached settlements with 441 mortgage loan originators nationwide who deceptively claimed to have completed annual continuing education as required under state and federal law.

“The mortgage industry is critical to Kentucky, as it helps Kentuckians finance homes,” said Jeff D. Jacob, Director of DFI’s Non-Depository Division. “The Kentucky Department of Financial Institutions has high expectations for individuals in the mortgage industry, and we require individuals and companies to comply with applicable laws and to operate in a professional manner.”

“The department is taking this regulatory action to communicate to the industry that we will hold licensees to the high standards that are prescribed by law,” Jacob added. “The department works with state and federal partners to supervise the financial service providers operating in Kentucky and to protect the citizens of our commonwealth.”

Through the settlements, the mortgage loan originators agreed to surrender their licenses for a period of three months, pay a fine of \$1,000 for each state in which he or she holds a license and take continuing education beyond Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act) requirements.

Congress enacted the SAFE Act to enhance consumer protection and reduce fraud through minimum standards for the licensing and registration of state-licensed mortgage loan originators. The law calls on the states to implement and enforce these standards, and every state has enacted its own version of the SAFE Act that requires mortgage loan originators to have at least 20 hours of pre-licensing education and an annual eight hours of continuing education.

Danny Yen, owner of Carlsbad, Calif.-based course provider Real Estate Educational Services, is facing administrative enforcement actions for both providing false certificates and taking courses on behalf of mortgage loan originators through other education providers in violation of the SAFE Act.

The irregular education activity was discovered through a gesture-driven authentication tool called BioSig-ID, which is used to monitor all online courses approved under the SAFE Act mandate.

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DFI, <http://kfi.ky.gov>, is an agency in the Public Protection Cabinet. For more than 100 years, it has supervised the financial services industry by examining, chartering, licensing and registering various financial institutions, securities firms and professionals operating in Kentucky. DFI's mission is to serve Kentucky residents by promoting access to a stable financial industry, implementing effective and efficient regulatory oversight, enforcing consumer protections, encouraging economic opportunities and encouraging sound financial decisions through financial empowerment programs.