

**COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
AGENCY CASE NO. 2011-AH-0130**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

**FINAL ORDER SUSPENDING MORTGAGE  
ORIGINATOR REGISTRATION**

TOM THOMPSON

RESPONDENT

\* \* \* \* \*

This matter is before the Commissioner of the Department of Financial Institutions (“DFI”), pursuant to KRS 286.8-044. The Commissioner hereby enters this **Final Order** suspending Tom Thompson’s (“Respondent”) mortgage loan originator registration, pursuant to KRS Chapter 286.8.

**FINDINGS OF FACT**

1. DFI is responsible for regulating and licensing mortgage loan originators in accordance with the provisions of KRS Chapter 286.8. No person shall transact business in Kentucky as a mortgage loan originator, unless that person is registered with DFI and complies with all the applicable requirements of KRS Chapter 286.8. *See* KRS 286.8-255(1); *See Also* KRS 286.8-030(1)(c).

2. Respondent is currently registered as a loan originator in Kentucky, pursuant to KRS Chapter 286.8.

3. A mortgage loan originator cannot maintain a certificate of registration unless the loan originator demonstrates he has completed the prelicensing education requirements set forth in KRS 286.8-255(3). *See* KRS 286.8-255(9)(d).

4. By letter dated May 12, 2011, DFI informed the Respondent that he had not meet the requirements of KRS 286.8-255(3) and that unless he demonstrated compliance with the prelicensing education requirements, DFI would suspend his registration.

5. Respondent contacted DFI and stated that he was going to contact the Nationwide Mortgage Licensing System and Registry (“NMLS”) in order to remedy the issue regarding his prelicensing education requirements. To date, Respondent is noncompliant on his prelicensing education requirements.

6. On July 13, 2011, DFI, by counsel, filed an Administrative Complaint to suspend Respondent’s loan originator registration. The Administrative Complaint was sent via certified mail, return receipt requested to Respondent’s last known address, 747 Tara Court A, Bowling Green, KY 42104.

7. The Administrative Complaint explained that the Respondent must file an answer to the Complaint, including a request for hearing, within twenty (20) days of service. The Administrative Complaint also explained that if a request for hearing was not received within 20 days, DFI would seek a Final Order from the Commissioner granting the relief requested in the Complaint.

8. The Administrative Complaint was returned to DFI on August 24, 2011 as unclaimed.

9. More than twenty (20) days has passed and the Respondent did not timely request an administrative hearing.

10. After having considered all the relevant facts and circumstances and the available remedies, the Respondent's registration should be suspended.

### **STATUTORY AUTHORITY**

11. Pursuant to KRS 286.8-255(1), "No natural person shall transact business in Kentucky, either directly or indirectly, as a mortgage loan originator or mortgage loan processor unless such mortgage loan originator or mortgage loan processor is registered with the department and has been issued a current certificate of registration by the department, complies with all applicable requirements of this subtitle, and maintains a valid unique identifier issued by the Nationwide Mortgage Licensing System and Registry. The department shall maintain a database of all mortgage loan originators and mortgage loan processors originating or processing mortgage loans on residential real property in Kentucky. The department shall issue a certificate of registration to all registered mortgage loan originators and mortgage loan processors."

12. In order to maintain a certificate of registration, a mortgage loan originator must demonstrate that he "...has completed the prelicensing education requirement set forth in subsection (3) of this section." *See* KRS 286.8-255(9)(d).

13. KRS 286.8-255(3) states:

(a) Applications for initial registrations of mortgage loan originators and mortgage loan processors shall be accompanied by satisfactory evidence that the applicant has successfully completed twenty (20) hours of prelicensing education courses related directly to the mortgage lending process, as approved and designated by the commissioner.

(b) For the purposes of paragraph (a) of this subsection, the prelicensing education courses approved and designated by the commissioner shall meet the minimum requirements set forth in Section 1505(c) of the S.A.F.E. Mortgage Licensing Act, Pub. L. No. 110-289, and amendments

thereto, and shall be reviewed, and approved by the Nationwide Mortgage Licensing System and Registry.

(c) For the purposes of paragraph (a) of this subsection, the commissioner may accept as credit towards the completion of the prelicensing education requirements in this state, the completion of prelicensing education requirements in any other state so long as the education has met the requirements set forth in paragraphs (a) and (b) of this subsection.

14. KRS 286.8-090(1)(a) gives DFI the power to revoke or suspend a mortgage loan originator registration if the registrant, “Does not meet, no longer meets, or has failed to comply with the requirements of this subtitle”.

15. KRS 286.8-044(2) states in pertinent part, “The Commissioner shall serve the administrative complaint by certified mail or personal delivery to the last known address of the person named in the complaint. The person named in the administrative complaint shall be entitled to a hearing, but only upon timely receipt of a written answer and request for a hearing within twenty (20) days of the service or hand delivery of the administrative complaint.”

*Emphasis added.*

16. KRS 286.8-044(3) explains that service by certified mail is complete upon the earlier of the following:

(a) The date on which the person receives the mail;

(b) The date on which the agency receives the return receipt; or

(c) The date on which the agency receives notice that the mail has been returned undelivered.

#### **CONCLUSIONS OF LAW**

17. Respondent has not demonstrated that he has completed the prelicensing education requirement, pursuant to KRS 286.255(9)(d) and KRS 286.8-255(3).

18. In addition, the Respondent does not meet the requirements of KRS Chapter 286.8. Therefore, his registration for mortgage loan originator must be suspended. *See* KRS 286.8-090(1)(a).

19. The Respondent was properly served the Complaint pursuant to KRS 286.8-044(2) by serving the Respondent via certified mail at the last known address of the Respondent. Service by certified mail is complete pursuant to KRS 286.8-044(3).

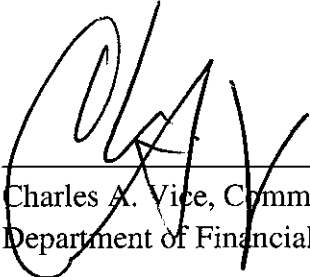
20. Respondent failed to timely respond to the Administrative Complaint or request a hearing within twenty (20) days of service. Thus, the Respondent has not perfected his appeal and his right to a hearing is waived in this matter.

21. KRS 286.8-090(1)(a) grants the Commissioner the authority to suspend or revoke a mortgage loan originator's registration for failure to comply the requirements of KRS Chapter 286.8. In this instance Respondent's mortgage loan originator registration must be suspended.

**ORDER**

Based on the Findings of Fact, Statutory Authority, and Conclusions of Law set forth above, the Commissioner **ORDERS** that the mortgage loan originator registration of Respondent Tom Thompson is **SUSPENDED**.

Executed on the 13<sup>th</sup> day of September, 2011.

  
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Charles A. Vice, Commissioner  
Department of Financial Institutions

This is a **FINAL AND APPEALABLE ORDER**. This Final Order shall become effective upon completion of service as set forth in KRS 286.8-044. This Order shall remain in effect until withdrawn by further Order of the Commissioner or modified by Court Order.

**NOTICE OF APPEAL RIGHTS**

Pursuant to KRS 286.8-210, you are hereby notified that you have the right to appeal this Final Order of the Commissioner. If you chose to appeal, you must file a written Notice of Appeal with the Franklin Circuit Court within sixty (60) days after completion of service of this Final Order. A copy of any Appeal Petition must also be served on the Commissioner.

**Certificate of Service**

I hereby certify that a copy of the foregoing **Final Order Suspending Mortgage Originator Registration** was sent by certified mail to, return receipt requested, on this the 14<sup>th</sup> day of September, 2011 to:

Tom Thompson  
747 Tara Court A  
Bowling Green, KY 42104

  
Stephanie Dawson  
Department of Financial Institutions