



The Lending Industry Update

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Business License On-Line License Renewal for August 2004

In 2000, The Office of Financial Regulation implemented a program to renew licenses electronically. In 2002, 88% of all businesses renewed on-line. The Office's goal is to process all renewals on-line. Electronic Renewals are faster and easier than paper filings. Once you have completed the renewal process you are assured that we have the correct information and have processed your renewal payment timely.

Renewal Instructions

- Log on to our website:
www.dbf.state.fl.us/licensing
- Click on hyperlink: ON-LINE RENEWALS.
- Enter FEIN/SSN of the business Licensee.
- Enter your private Authorization Number located on the back of each main office license.
- Update address and email information.
- Website will compute your renewal fee and display invoice.
- Submit check electronically – no special software required – credit cards are not accepted.
- You will be asked to type in certain information such as the bank identification number, checking account number and the name of the person authorized to sign on the account.
- Upon completion, the system displays an image of your check for verification.

Once you have validated the information and selected "Finish" to complete the process, you will receive a Receipt and Confirmation Number as evidence the Office received your payment – **be sure to print this for your records.**

Your account information is private and confidential. The payment system uses the Secure Sockets Layer (SSL) protocol to safeguard your

sensitive personal information, including your checking account number, during on-line transactions. Using this widely accepted form of encryption, your transaction is secured from your personal computer to the Office's computers processing your request. The processing computers are located behind a secure firewall. This is a one-time payment, and the Office cannot debit your account again without your express authorization to do so through a new transaction.

NOTE: Once you have completed the renewal process, your renewal payment confirmation number is evidence you have renewed your license.

YOU MAY NOT CONDUCT BUSINESS AFTER AUGUST 31, 2004 IF YOU DO NOT RENEW YOUR LICENSE.

**STATUTORY RENEWAL
DEADLINE:
August 31, 2004**

New Continuing Education Requirements

The deadline for business renewals is August 31, 2004. During this renewal, all mortgage lenders and correspondent mortgage lenders will be asked to certify that all loan originators, associates, and principal representative working for the licensee have had at least 14 hours of continuing education courses within the past two years, as specified in Chapter 494, FS. This may include the 24-hour pre-licensing course for those who received their initial license on or after September 1, 2002.

Continuing Education Requirements and a list of schools offering Continuing Education courses can be found on our website under the Section "Regulatory Information". From there you select "Continuing Education". Visit our website at www.dbf.state.fl.us/licensing.

In addition to license renewals **Applicants or Licensees may also:**

- Check their Application Status
- Update Addresses
- Terminate Branches
- View and print Current Statutes and Rules
- View Compliance Forms
- Applications and Instructions
- Download licensee lists

Quarterly Reports

Chapter 494 requires each business entity to file an initial quarterly report and quarterly thereafter to report any changes or corrections. Questions have been asked about who must be reported on the Quarterly reports. The report should include all individuals who are soliciting loans for the business. Lenders should include individuals who may be considered a loan originator. This should include all individuals originating loans, as well as account executives.

All businesses that originate loans must have at least one person shown on the quarterly report: i.e. the principal broker for MBBs must be listed, for lenders your account executives would be shown as loan originators.

The principal representative should be included on the report if he or she is originating loans.

On the original report you are asked to designate a contact person: this person is not automatically applied to the quarterly report as a loan originator or associate.

NOTE: All persons listed on the quarterly report and the principal representative are required to have the 14 hours of continuing education as stated in section 494.00295, Florida Statutes.

NET BRANCH REQUIREMENTS

Numerous questions have been received concerning the requirements of "NET BRANCHES".

Two of the most common questions are:

Is a net branch /satellite office required to have a license?

YES, a net branch/satellite office is a branch office as defined in sections 494.001(7), 494.0036, and 494.0066, Florida Statutes.

How may compensation be paid?

First, any broker fees must be paid to the name of the licensed business/branch name. Secondly, any compensation paid to individuals (natural person) must be paid in the name of the natural person working for the licensed branch either as an associate (Florida licensed mortgage broker) or if the natural person is working for a lender as a loan originator (W-2 employee).

In many instances, the Office has found through examination and complaint investigations the following situation. The main licensed office is submitting and licensing a branch location. After being approved for a branch location with the same name of the licensed main office, the "branch manager" then establishes or puts in place a separate unlicensed entity (CORP, LP, etc.) where revenue is being paid or distributed in the name of this separate unlicensed entity.

This type of arrangement **is prohibited** under section 494.0025(8), Florida Statutes, as referenced below.

494.0025 Prohibited practices.

It is unlawful for any person:

(8) To pay a fee or commission in any mortgage loan transaction to any person or entity other than a mortgage brokerage business, mortgage lender, or correspondent mortgage lender, operating under an active license, or a person exempt from licensure under this chapter.

LICENSING STATISTICS

CHAPTERS 494, 516, 520, 559 & 560, FLORIDA STATUTES

NUMBER OF ACTIVE LICENSEES

<u>6/30/02</u>	<u>6/30/03</u>	<u>5/31/04</u>	<u>INCLUDING BRANCHES</u>
30,283	41,211	45,006	Mortgage Brokers (494)
4,948	4,912	6,362	Mortgage Brokerage Businesses (494)
5,140	6,478	8,754	Correspondent Mortgage Lenders & Mortgage Lenders (494)
607	568	607	Consumer Finance Companies (516)
5,226	3,857	4,622	Motor Vehicle Retail Installment Sellers (520 – PART I)
9,450	5,897	6,851	Retail Installment Sellers (520 – PART II)
1,181	981	1,147	Sales Finance Companies (520 – PART III)
372	172	199	Home Improvement Retail Installment Sellers (520–PART VI)
94	97	99	Commercial Collection Agencies (559 – Part V)
852	866	887	Consumer Collection Agencies (559 – Part VI)
664	817	1,018	FT2: Money Transmitters, Part II
1,052	1,180	1,390	FT3: Money Transmitters, Part III
<u>59,869</u>	<u>67,036</u>	<u>76,942</u>	TOTAL ACTIVE CHAPTER 494, 516, 520, 559, & 560 LICENSEES

NEW LICENSES ISSUED

<u>FISCAL YEAR</u>			<u>INCLUDING BRANCHES</u>
<u>2001/02</u>	<u>2002/03</u>	<u>2003/04</u> (7/03–5/04)	
6,588	10,396	10,737	Mortgage Brokers (494)
1,175	1,221	1,580	Mortgage Brokerage Businesses (494)
1,698	2,991	2,915	Correspondent Mortgage Lenders & Mortgage Lenders (494)
136	125	74	Consumer Finance Companies (516)
786	761	713	Motor Vehicle Retail Installment Sellers (520 – PART I)
912	1,153	935	Retail Installment Sellers (520 – PART II)
255	185	201	Sales Finance Companies (520– PART III)
48	22	27	Home Improvement Retail Installment Sellers (520 –PART IV)
32	28	26	Commercial Collection Agencies (559 – Part V)
251	294	308	Consumer Collection Agencies (559 – Part VI)
236	266	318	FT2: Money Transmitters, Part II
154	408	358	FT3: Money Transmitters, Part III
<u>12,271</u>	<u>17,850</u>	<u>18,192</u>	TOTAL NEW CHAPTER 494, 516, 520, 559, & 560 LICENSEES

FOR YOUR INFORMATION

CHAPTERS 494, 516, 520, 559 & 560 FLORIDA STATUTES

EXAMINATIONS

The Bureau of Finance Regulation conducted examinations of the following types of companies during the period July 1, 2003 through May 31, 2004:

<u>7/03 thru 5/04</u>	INCLUDING BRANCHES
110	Mortgage Brokerage Businesses (494)
90	Correspondent Mortgage Lenders & Mortgage Lenders (494)
28	Consumer Finance Companies (516)
157	Retail Installment Sales (520 - ALL PARTS)
47	Money Transmitters (560 – Part II & III)
<u>432</u>	TOTAL EXAMINATIONS

COMPLAINTS

The Bureau of Finance Regulation has received complaints against the following types of companies during the prior three fiscal years:

<u>2001/02</u>	<u>2002/03</u>	<u>2003/04</u> (7/03-5/04)	INCLUDING BRANCHES
249	328	241	Mortgage Brokerage Businesses (494)
1,339	1,570	1,280	Correspondent Mortgage Lenders & Mortgage Lenders (494)
84	109	64	Consumer Finance Companies (516)
387	455	327	Retail Installment Sales (520 – ALL PARTS)
26	50	30	Money Transmitters (560 Part II & III)
339	438	321	Consumer & Commercial Collection Agencies (559 Part V & IV)
<u>2,424</u>	<u>2,950</u>	<u>2,263</u>	TOTAL COMPLAINTS

CHAPTERS 494, 516, 520, 559, & 560 - LEGAL ACTIONS (JULY 2003-MAY 2004)

NAME OF COMPANY / INDIVIDUAL	LOCATION CITY & STATE	TYPE OF LICENSE	ACTION TAKEN	DATE OF ACTION
Eric R. Johnson	Ft. Lauderdale, FL	MB	Revocation	08/20/03
Peter J. Russo	Jacksonville, FL	MB	Revocation	08/29/03
Joseph F. Biggins	Jupiter, FL	MB	Revocation	10/07/03
Timothy L. Kuhlman	Pensacola, FL	MBB	Revocation	11/04/03
Jermaine Devarro Chambers	Miami, FL	MB	Revocation	12/30/03
Rowan Food Company Inc.	Lake Worth, FL	FT3	Surrender	12/31/03
Bay Checks, Inc.	Boynton Beach, FL	FT3	Revocation	01/02/04
Access Inc. of USA	Iselin, NJ	FT3	Revocation	01/02/04
D & Corporation of South Florida	Miami, FL	FT3	Revocation	01/02/04
Bermuda Super Markets, Inc.	Miami, FL	FT3	Revocation	01/02/04
Jane Corporation	Miami, FL	FT3	Surrender	01/15/04
Latam Consulting Corporation	Ft. Lauderdale, FL	FT3	Revocation	01/15/04
Dimitrios K. Filippakaos	Spring Hill, FL	FT3	Revocation	01/28/04
Express Mortgage Company Inc.	Palm City, FL	MBB	Revocation	02/02/04
Teleco International Services, Inc	Miami, FL	FT3	Revocation	02/03/04
Jay's Pay Station	Miami, FL	FT3	Revocation	02/03/04
Old Town Jewelry and Pawn, Inc.	Key West, FL	FT3	Revocation	02/03/04
Premier Financial Enterprises, Inc.	Ft. Lauderdale, FL	FT3	Surrender	02/03/04
Hialeah Check Cashing Inc.	Hialeah, FL	FT3	Surrender	02/03/04
Southeast Check Cashing, Inc.	Marianna, FL	FT3	Revocation	02/03/04
H. P. Finance Services, LLC.	Oakland Park, FL	FT3	Revocation	02/03/04
Bahram Bagherzade Khorsandi	Orlando, FL	MB	Revocation	02/03/04
Jack Morris Jr.	Oviedo, FL	MB	Revocation	02/11/04
Kevin Mercadel	Deltona Beach, FL	MB	Revocation	02/17/04
James E. Cushion Jr.	Jacksonville, FL	MB	Revocation	02/20/04
Thomas Anthony Siciliano	Altamonte Springs, FL	MB	Revocation	02/20/04
Luis Omar Scott	Miramar, FL	MB	Revocation	02/20/04
Berto Guillen	Hialeah, FL	MB	Revocation	02/20/04
Miracle Auto Sales, Inc.	St. Cloud, FL	MV	Revocation	03/01/04

CHAPTERS 494, 516, 520, 559, & 560 - LEGAL ACTIONS (JULY 2003-MAY 2004)
(CONT.)

NAME OF COMPANY / INDIVIDUAL	LOCATION CITY & STATE	TYPE OF LICENSE	ACTION TAKEN	DATE OF ACTION
Winston Ashley Wallace	Ft. Lauderdale, FL	MB	Revocation	03/01/04
Ronald James Jackson	Ft. Lauderdale, FL	MB	Revocation	03/01/04
Richard Anthony Kurtti	North Palm Beach, FL	MB	Revocation	03/01/04
Robert Traut Wentworth	Gainesville, FL	MB	Revocation	03/01/04
John Jerome Jeanty	Oakland Park, FL	MB	Revocation	03/01/04
Joseph Samuel Sinclair	Plantation, FL	MB	Revocation	03/05/04
Southeast Federated Mortgage Corporation	Pembroke Pines, FL	MBB	Revocation	03/05/04
Francis P. Esposito	Boynton Beach, FL	MB	Revocation	03/05/04
David J. Rothenbecker	Ft. Lauderdale, FL	MB	Revocation	03/15/04
Linear Management	Hialeah, FL	FT3	Surrender	03/15/04
Carmel, L.L.C.	Boca Raton, FL	FT3	Revocation	03/30/04
Nicole Ward	Ocala, FL	MB	Revocation	03/30/04
Jenneffer Paulino	Miami, FL	MB	Revocation	03/30/04
Mike S. Smith, Inc.	Ocala, FL	FT3	Revocation	04/05/04
Carmen Ines Colon	Orlando, FL	MB	Revocation	04/08/04
Pennington Mortgage, Inc.	Panama City Beach, FL	CL	Revocation	04/19/04
Casey Clayton Trask	Orlando, FL	MB	Revocation	04/19/04
Constance Marie Hance	Jupiter, FL	MB	Revocation	04/23/04
Business and Friends, Inc.	Homestead, FL	FT3	Revocation	05/12/04
Carl Tremell Thompson Sr.	Ft. Lauderdale, FL	MB	Revocation	05/14/04
Jorge Sanabria	Miami, FL	MB	Revocation	05/14/04
John F. Salg	Clearwater, FL	MB	Revocation	05/20/04
Scorpio Water Works and Marketing International, Inc.	Miami, FL	RS	Revocation	05/21/04
Iris Demetrias Thomas	Miami, FL	MB	Revocation	05/21/04
Manhattan Mortgage Services, Inc.	Cape Coral	MBB	Revocation	05/21/04

REGIONAL OFFICE LOCATIONS

The Office of Financial Regulation, in an effort to provide current information, would like to provide the following names and addresses of our regional offices, the counties they serve, and the individuals responsible for finance regulation. (The 800, 877, and 888 numbers listed below are toll-free in Florida.)

Bureau of Finance Regulation

Bob Tedcastle, Bureau Chief
200 East Gaines Street
Tallahassee, Florida 32399-0373

Phone Numbers

(850) 410-9895

Regional Offices

Mr. Ronn Hoover, Area Financial Manager
Pensacola Regional Office
4900 Bayou Boulevard, Suite 103
Pensacola, Florida 32503-2530

Counties

Bay, Calhoun, Escambia, Franklin,
Gadsden, Gulf, Holmes, Jackson, Leon,
Liberty, Okaloosa, Santa Rosa, Wakulla,
Walton, and Washington

(850) 494-7380

(888) 494-7380

Ms. Elizabeth Peters, Area Financial Manager
Jacksonville Regional Office
1300 Riverplace Boulevard, Suite 640
Jacksonville, Florida 32207-9018

Alachua, Baker, Bradford, Clay, Columbia,
Dixie, Duval, Flagler, Gilchrist, Hamilton,
Jefferson, Lafayette, Levy, Madison,
Nassau, Putnam, St. Johns, Suwannee,
Taylor, and Union

(904) 390-4660

(888) 434-3910

Mr. Art James, Area Financial Manager
Tampa Regional Office
1313 North Tampa Street, Suite 615
Tampa, Florida 33602-3394

Citrus, Hernando, Hillsborough,
Manatee, Pasco, Pinellas, Polk,
and Sarasota

(813) 272-2565

(800) 258-8403

Mr. Richard Roll, Area Financial Manager
Orlando Regional Office
400 West Robinson Street,
Hurston South Tower, Suite 225
Orlando, Florida 32801-1799

Brevard, Lake, Marion, Orange,
Osceola, Seminole, Sumter,
and Volusia

(407) 245-0760

(800) 342-2247

Mr. John Kneissel, Area Financial Manager
Miami Regional Office
401 NW Second Avenue, Suite North 708
Miami, Florida 33128-1796

Dade and Monroe

(305) 810-1111

Mr. Hank Nagel, Area Financial Manager
Southeast Florida Regional Office
111 South Sapodilla Avenue, Suite 211
West Palm Beach, FL 33401-5293

Glades, Henry, Highlands,
Indian River, Martin, Okeechobee,
Palm Beach, and St. Lucie

(561) 837-5054

(800) 837-7946

Ms. Sharon Dawes, Area Financial Manager
Ft. Lauderdale Regional Office
1400 West Commercial Blvd., Suite 135
Fort Lauderdale, Florida 33309

Broward

(954) 598-7100

(800) 298-0485

Ms. Sharon Dawes, Area Financial Manager
Southwest Florida Regional Office
2000 Main Street, Suite 500
Fort Myers, Florida 33901-3062

Charlotte, Collier, DeSoto
Hardee, and Lee

(239) 338-2445

(877) 336-2445



State of Florida
Office of Financial Regulation
Bureau of Finance Regulation
200 East Gaines Street
Tallahassee, FL 32399-0373

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