

**STATE OF OHIO**  
**DEPARTMENT OF COMMERCE**  
**Division of Financial Institutions**  
**Consumer Finance**

In the matter of:	)	Case No. M2008-218
	)	
<b>CHESTER E. CENTERS</b>	)	<b>Notice of Intent to Deny Loan Officer License Application</b>
195 East Willow Drive	)	&
Zanesville, OH 43701	)	<b>Notice of Opportunity for a Hearing</b>
	)	

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**JURISDICTION**

The Ohio Department of Commerce, by and through the Superintendent of the Division of Financial Institutions ("Division"), is charged with the responsibility of administering and enforcing the Ohio Mortgage Broker Act ("OMBA"), codified in Ohio Revised Code ("R.C.") Chapter 1322. In accordance therewith, the Division is accountable for the licensing of individuals as residential mortgage loan officers.

**RESPONDENT**

**CHESTER E. CENTERS** ("Respondent") previously held a loan officer license that was cancelled because he failed to renew his license on or before April 30, 2007. On June 5, 2008, Respondent submitted a loan officer license application which remains pending. His address of record is 195 East Willow Drive, Zanesville, OH 43701, and his date of birth is June 10, 1960. Respondent's employer of record is ABS Financial, Inc. dba Greater Ohio Mortgage, which is located at 1136 Maple Avenue, Zanesville, Ohio 43701.

**NOTICE OF PROPOSED ACTION**

In accordance with R.C. sections 1322.041 and 1322.10 and R.C. Chapter 119, the Division intends to DENY Respondent's loan officer license application.

**BASIS FOR PROPOSED ACTION**

The Division has conducted an investigation of Respondent, pursuant to R.C. 1322.10(B), and has found the following:

- A. The Division is authorized by R.C. 1322.10(A)(1)(a) to refuse issuance of a loan officer license if the Division finds that the licensee or applicant has violated or failed "to comply with any provision of sections 1322.01 to 1322.12 of the Revised Code or the rules adopted under those sections or any other law applicable to the business conducted[.]"
- B. R.C. 1322.07(C) prohibits an applicant for a license from engaging in conduct that constitutes improper, fraudulent or dishonest dealings.
- C. The Division is authorized by R.C. 1322.041(A)(6) to issue a loan officer license if the applicant's character and general fitness commands public confidence and warrants the

belief that business will be operated honestly and fairly and in compliance with the purposes of the Ohio Mortgage Broker Act.

- D. The Division is required by Ohio Admin. Code 1301:8-7-21(G) to consider if an applicant has “engaged in any conduct which would reflect on the reputation for honesty, integrity or competence in business and personal dealings of the applicant[.]”
- E. On or about October 15, 2002, Charles D. and Teresa A. Cowgill (“the Cowgills”) signed a retail installment sales contract to purchase a 28’ x 54’ double wide manufactured home from Palm Harbors Homes I, L.P. d/b/a Palm Harbor Village (“Palm Harbors”). The Cowgills’ trade-in was described as a 14’ x 70’ single wide.
- F. The purchase contract signed by the Cowgills included a \$5,500.00 foundation.
- G. The invoice issued by Palm Harbors indicates that a 4-block crawl space was constructed for the Cowgills for \$5,500.00.
- H. In or around the end of October 2002, Palm Harbors removed the Cowgills’ single wide manufactured home, in which they resided at the time, and replaced it with the new double wide manufactured home. The Cowgills were unable to move into the new double wide because they would not obtain the keys until their loan closed.
- I. On or about December 13, 2002, the Cowgills signed mortgage loan application documents prepared by Respondent. When Respondent signed the documents he backdated his signature to August 7, 2002, the approximate date the loan was referred to him by Palm Harbors. There is no indication Respondent met with the Cowgills in August of 2002 when he requested a credit report.
- J. On or about December 22, 2002, Bill Cochran Real Estate Appraisals (“Cochran Appraisals”) prepared an invoice related to the appraisal of the Cowgills property. The invoice indicated it was sent to Respondent. The appraisal report of the Cowgill property prepared by Cochran Appraisals stated that the existing structure had a 1350 square foot basement with block walls, a concrete floor, ceiling joists and an outside entry. The Cowgills property had no basement, only a four block crawl space as indicated by the invoice from Palm Harbors.
- K. Respondent needed the faulty appraisal report described in paragraph J above to support the loan amount sought in the loan application. Ultimately, a mortgage loan in the amount of \$102,000.00 was approved by Option One Mortgage Corporation.

As a result of the findings listed above, the Division has determined that:

- 1. Respondent’s actions, as described above, show Respondent’s character and general fitness do not 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 the Ohio Mortgage Broker Act. Accordingly, Respondent does not meet the loan officer license issuance requirement found in R.C. 1322.041(A)(6).
- 2. Respondent engaged in conduct that constituted improper, fraudulent or dishonest dealings in violation of R.C. 1322.07(C).

3. Because Respondent violated R.C. 1322.07(C) and does not meet the criteria of R.C. 1322.041(A)(6), the superintendent is authorized to deny issuance of a loan officer license pursuant to R.C. 1322.10(A)(1)(a).

**NOTICE OF OPPORTUNITY FOR A HEARING ON PROPOSED ACTION**

Therefore, pursuant to R.C. Chapters 1322 and 119, Respondent is hereby notified that thirty-one (31) days from the date of the mailing of this Notice, the Superintendent intends to issue an order denying Respondent's loan officer license application under the Ohio Mortgage Broker Act.

Respondent is further notified, pursuant to R.C. Chapter 119, that Respondent is entitled to a hearing on this matter. If Respondent desires to request a hearing, the request must be made in writing, and must be received in the offices of the Ohio Division of Financial Institutions within thirty (30) days of the time of the mailing of this Notice. Hearing requests should be addressed: Ohio Division of Financial Institutions, Attn: Lori A. Massey, Consumer Finance Attorney Examiner, 77 South High Street, 21<sup>st</sup> Floor, Columbus, Ohio 43215-6120.

At the hearing, Respondent may appear in person, by Respondent's attorney, or by such other representative as is permitted to practice before the Agency, or Respondent may present its position, arguments, or contentions in writing, and, at the hearing, may present evidence and examine witnesses appearing for and against Respondent.

If the Ohio Division of Financial Institutions does not receive a written request for a hearing in its offices within thirty (30) days of the time of the mailing of this Notice, the Superintendent will issue an order denying Respondent's loan officer license application.

Signed and sealed this 3<sup>rd</sup> day of April, 2009.

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**LEIGH A. WILLIS**

Deputy Superintendent for Consumer Finance  
Division of Financial Institutions  
Ohio Department of Commerce