

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

In the matter of:)	Case No. M2008-442
)	
MORTGAGE HUNTERS, LLC)	Notice of Intent to Fine Mortgage Broker Registrant
16360 Broadway Avenue, Suite 101)	&
Maple Heights, Ohio 44137)	Notice of Opportunity for a Hearing
)	
)	

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, codified in Ohio Revised Code ("R.C.") Chapter 1322, and the rules adopted thereunder. In accordance therewith, the Division is accountable for the registration of mortgage brokers.

RESPONDENT

MORTGAGE HUNTERS, LLC ("Respondent") is a limited liability company that holds an active certificate of registration issued by the Division to engage in business as a mortgage broker pursuant to R.C. Chapter 1322. Respondent's present address of record is 16360 Broadway Avenue, Suite 101, Maple Heights, Ohio 44137.

NOTICE OF PROPOSED ACTION

In accordance with R.C. Chapter 119 and R.C. 1322.10(A)(2), the Division intends to impose a fine in the amount of one thousand dollars (\$1,000.00) against Respondent for violating R.C. 1322.071(B)(3) and R.C. 1322.07(C).

BASIS FOR PROPOSED ACTION

Pursuant to R.C. 1322.10(B), the Division has conducted an investigation of Respondent. As a result thereof, the Division has found the following:

- A. The Division is authorized by R.C. 1322.10(A)(2) to impose a fine against a mortgage broker registrant of not more than one thousand dollars for each day a violation of a law or rule is committed, repeated, or continued.
- B. In or around December 2007, Respondent caused an advertisement to be mailed to former customers. According to Respondent's Operations Manager, approximately fifty of such advertisements were mailed. These advertisements offered a \$20.00 bank gift card when the former customer either called or mailed three names and phone numbers of friends, relatives, or acquaintances interested in getting pre-qualified for a residential or commercial purchase or refinance loan to Respondent. The advertisement offered a \$100 bank gift card when any person the customer referred to Mortgage Hunters, LLC refinanced or purchased a property using Mortgage Hunters, LLC's financing service.

- C. According to Glen Hunter, Respondent's Operations Manager, the advertisement received only one response, consequently, a consumer received a \$20.00 bank gift card. No individual received a \$100.00 bank gift card.
- D. R.C. 1322.09 requires mortgage brokers to disclose in any printed advertisement related to the mortgage broker's services the name and street address of the mortgage broker and its certificate of registration number.
- E. Respondent's December 2007 advertisement described above failed to list Respondent's business address, in violation of R.C. 1322.09.
- F. R.C. 1322.071(B)(3) prohibits mortgage brokers, registrants, or licensees from "pay[ing] or receiv[ing], directly or indirectly, a referral fee or kickback of any kind to or from a bona fide third party...for the referral of business."
- G. By providing to a customer a \$20.00 bank gift card in exchange for the names of three individuals that may be interested in obtaining a mortgage from Respondent, Respondent violated R.C. 1322.071(B)(3).
- H. R.C. 1322.07(C) prohibits mortgage brokers, registrants, licensees, or applicants for a certificate of registration or license from "engag[ing] in conduct that constitutes improper, fraudulent, or dishonest dealings."
- I. By mailing an advertisement to consumers that proposes providing the consumer a \$20.00 gift card for referring other individuals to Respondent and proposes to provide the consumer a \$100 gift card when any person the consumer referred to Respondent refinances or purchases a property using Respondent's financing service, a practice that violates R.C. 1322.071(B)(3), Respondent violated R.C. 1322.07(C).

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

- 1. Because during December 2007, Respondent violated R.C. 1322.071(B)(3), R.C. 1322.09, and R.C. 1322.07(C), the Division has the authority to impose a fine against Respondent.
- 2. A fine in the amount of one thousand dollars (\$1,000.00) is reasonable, appropriate and necessary.

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 imposing a fine of one thousand dollars (\$1,000.00) on Respondent.

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: Martha Rhea, Consumer Finance Attorney Examiner, 77 South High Street, 21st Floor, Columbus, Ohio 43215-6120.

At the hearing, Respondent may appear by Respondent's attorney, 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 imposing a fine in the amount of one thousand dollars (\$1,000.00) on Respondent.

Signed and sealed this 19th day of March, 2009.

LEIGH A. WILLIS

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