

STATE OF OHIO
DEPARTMENT OF COMMERCE
DIVISION OF FINANCIAL INSTITUTIONS
77 South High Street, 21st Floor
Columbus, Ohio 43215-6120

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| In the matter of: |) | |
| |) | Case No. 05-001MLD |
| HUMBERT MORTGAGE |) | |
| SERVICING, LLC |) | |
| 1250 Springfield Pike |) | Notice of Intent to |
| Cincinnati, OH 45215 |) | Deny Mortgage Loan Act |
| |) | Certificate of Registration & 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 enforcing the Ohio Mortgage Loan Act, codified in Ohio Revised Code ("R.C.") Chapter 1321.51 et seq., and the rules adopted thereunder.

RESPONDENT

Humbert Mortgage Servicing, LLC., ("Respondent") has applied to the Division for a certificate of registration under the Ohio Mortgage Loan Act pursuant to R.C. 1321.53. Respondent is an Ohio limited liability company. The business address of record for Respondent's office is 1250 Springfield Pike, Cincinnati, OH 45215.

ALLEGATIONS

Pursuant to R.C. 1321.53(A)(2), the Division conducted an investigation into the affairs of Respondent to determine if it has the "financial responsibility, experience, character, and general fitness... to command the confidence of the public and to warrant the belief that the business will be operated honestly and fairly in compliance with and within the purposes of sections 1321.51 to 1321.60 of the Revised Code," and as a result thereof, alleges the following:

1. Respondent has one principal owner, Aloysius J. Humbert, Jr. Respondent's principal owner also is the principal owner of Humbert Mortgage, Inc., an entity which holds a mortgage broker certificate of registration with the Division, MB 3520, under R.C. 1322. The address of the proposed location of Humbert Mortgage Servicing, LLC is the same as the address for Humbert Mortgage, Inc.
2. The Division conducted an examination of Humbert Mortgage, Inc. on June 20 through June 21, 2005.

3. R.C. 1321.52(A) prohibits any person from advertising, soliciting, or holding out that that person is engaged in the business of making mortgage loans on real estate which is other than a first lien without first obtaining a certificate of registration under the Ohio Mortgage Loan Act. R.C. 1321.52(B) prohibits any person from engaging in the business of lending or collecting the person's own or another person's money, credit, or choses in action for such loans without first obtaining a certificate of registration under the Ohio Mortgage Loan Act.
4. During the June 2005 examination of Humbert Mortgage, Inc., the Division examiner noted that both Humbert Mortgage, Inc. and Humbert Mortgage Servicing LLC had closed second mortgage loans in their respective names. The examiner noted that Humbert Mortgage Servicing LLC services the second mortgages.
5. Neither Respondent nor Humbert Mortgage, Inc. held a certificate of registration under the Ohio Mortgage Loan Act during the time of the examination or at any time prior to the examination. Prior to the June 2005 examination, neither entity had applied to the Division for a certificate of registration under the Ohio Mortgage Loan Act.
6. By holding itself out as engaging in the business of making mortgage loans on real estate which is other than a first lien without first obtaining a certificate of registration under the Ohio Mortgage Loan Act, Respondent violated R.C. 1321.52(A)(1)(a).
7. By engaging in the business of lending or collecting its own or another person's money, credit, or choses in action for loans secured by a mortgage on a borrower's real estate which is other than a first lien on the real estate without a proper certificate of registration, Respondent violated R.C. 1321.52(A)(1)(b).
8. Due to Respondent's violations of R.C. 1321.52(A)(1)(a) and R.C. 1321.52(A)(1)(b), the Division cannot find that the financial responsibility, experience, character, and general fitness of Respondent are such as to command the confidence of the public and warrant the belief that the business will be operated honestly and fairly in compliance with and within the purposes of sections 1321.51 to 1321.60 of the Revised Code. Consequently, Respondent does not meet the conditions of obtaining a certificate of registration pursuant to R.C. 1321.53.
9. During Humbert Mortgage, Inc.'s examination in June 2005, the Division examiner noted the following violations of the Ohio Mortgage Broker Act, in addition to the violations previously discussed herein: conducting activity requiring a certificate of registration from an office not holding a certificate of registration, two unlicensed individuals working as loan officers, the failure to provide buyers mortgage loan origination disclosure statements required by R.C.

1322.062, the receipt of premiums on the fees charged buyers for services performed by a bona fide third party, failure to use the special account in manner required by R.C. 1322.08, failure to include certificate of registration number in advertisements, using unqualified superlatives in advertisements, and failure to display copies of loan officer licenses at the office where the loan officer principally transacts business. The Division has previously taken action to revoke the mortgage broker certificate of registration of Humbert Mortgage, Inc. due to the violations of the Ohio Mortgage Broker Act.

10. Humbert Mortgage, Inc. failed to comply with the provisions of the act under which it holds a certificate of registration. An entity with the same principal owner as Humbert Mortgage, Inc., Humbert Mortgage Servicing, LLC, has applied for a certificate of registration under the Ohio Mortgage Loan Act, another law that regulates the same industry. Due to the numerous violations by Humbert Mortgage, Inc. of the Ohio Mortgage Broker Act, the Division cannot find that Respondent has the character and general fitness as to command the confidence of the public and warrant the belief that the business will be operated honestly and fairly in compliance with and within the purposes of the Ohio Mortgage Loan Act.

FINDINGS

Based upon the allegations above, the Division determines the following:

1. By holding itself out as engaging in the business of making mortgage loans on real estate which is other than a first lien without first obtaining a certificate of registration under the Ohio Mortgage Loan Act, Respondent violated R.C. 1321.52(A)(1)(a).
2. By engaging in the business of lending or collecting its own or another person's money, credit, or choses in action for loans secured by a mortgage on a borrower's real estate which is other than a first lien on the real estate without a proper certificate of registration, Respondent violated R.C. 1321.52(A)(1)(b).
3. Due to Respondent's violations of R.C. 1321.52(A)(1)(a) and R.C. 1321.52(A)(1)(b), the Division cannot find that the financial responsibility, experience, character, and general fitness of Respondent are such as to command the confidence of the public and warrant the belief that the business will be operated honestly and fairly in compliance with and within the purposes of sections 1321.51 to 1321.60 of the Revised Code. Consequently, Respondent does not meet the conditions of obtaining a certificate of registration pursuant to R.C. 1321.53.
4. Due to Humbert Mortgage Inc.'s violations of the Ohio Mortgage Broker Act, the Division cannot find that Respondent, an entity with the same principal owner as Humbert Mortgage, Inc., has the character and general fitness as to command the confidence of the public and warrant the belief that the business will be operated

honestly and fairly in compliance with and within the purposes of sections 1321.51 to 1321.60 of the Revised Code, the Mortgage Loan Act.

PROPOSED ACTION

Based upon the allegations and findings above, the Division intends to DENY the Mortgage Loan Act Certificate of Registration of Humbert Mortgage Servicing LLC.

NOTICE OF OPPORTUNITY FOR A HEARING ON PROPOSED ACTION

Therefore, pursuant to R.C. Chapters 1321 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 the mortgage loan act certificate of registration application of Humbert Mortgage Servicing, LLC.

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 to:

**State of Ohio
Department of Commerce
Division of Financial Institutions
Attn: Attorney Timothy C. Winslow
77 South High Street, 21st Floor
Columbus, Ohio 43215-6120**

At the hearing, Respondent may appear by an 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 the mortgage loan act certificate of registration of Humbert Mortgage Servicing, LLC.

Signed and Sealed this ____ day of _____, 2005.

Robert M. Grieser
Deputy Superintendent of Consumer Finance

CC: Timothy C. Winslow, In House Counsel—Division of Financial Institutions
Matt Lampke Asst. Attorney General, Executive Agencies
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