

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

In the matter of:

KRISTIN M. NOWLING
4369 Middle Ridge Road
Perry, OH 44081

)
) **Case No. 06-3318LOR**
)
)

) **Notice of Intent to Revoke**
) **Loan Officer License &**
) **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 Broker Act, codified in Ohio Revised Code ("R.C.") Chapter 1322 and the rules adopted thereunder.

RESPONDENT

Respondent Kristin M. Nowling holds loan officer license (LO# 019113) issued by the Division pursuant to R.C. 1322. Respondent's employer of record was First Ohio Banc & Lending, Inc., whose office operates under certificate of registration number MB 3816. Respondent's home address of record is 4369 Middle Ridge Road, Perry, OH 44081 and her date of birth is March 28, 1979.

NOTICE OF PROPOSED ACTION

In accordance with R.C. 1322.10, and pursuant to R.C. Chapter 119, the Division intends to REVOKE Respondent's loan officer license.

ALLEGATIONS

Pursuant to R.C. 1322.10(B), the Division conducted an investigation into the affairs of Respondent, and as a result thereof, alleges the following:

1. In or about January 2006, Respondent was employed by First Ohio Banc & Lending, Inc.
2. In or about January 2006, Respondent arranged to refinance a residential mortgage in the sum of \$261,000.00 on residential property located at 443 Rivet Street, New Bedford, Massachusetts 02740 owned by Niles Andrade.

3. In or about January 2006, Respondent submitted payroll forms without the signature of borrower Andrade on all necessary mortgage documents. Thus, the payroll forms were returned to Respondent. Immediately thereafter, First Ohio Banc & Lending, Inc. ("First Ohio") management observed Respondent taping borrower Andrade's signature upon a mortgage document. Respondent was terminated by First Ohio on January 20, 2006. Upon her termination, Respondent signed a termination form acknowledging that the reason for her termination was falsifying company records.
4. On January 24, 2006, Respondent began employment as a loan officer with Statewide Home Mortgage, Inc. and submitted an application to transfer her loan officer license.
5. On April 18, 2006, Respondent filed a small claims complaint in the Garfield Heights, Ohio Municipal Court. Respondent's complaint sought \$3,000.00 and alleged that First Ohio failed to fully compensate her for work on four loans, including the Andrade loan, that were funded before her employment was terminated. Respondent's case was designated Case No. CVI-0601183.
6. On June 2, 2006, the Garfield Heights Municipal Court held a bench trial.
7. During the bench trial, First Ohio testified that management witnessed Respondent taping Mr. Andrade's signature upon a mortgage document. First Ohio further testified that Respondent was justifiably terminated for committing fraud, and thus, was not entitled to payment.
8. Respondent justified her action by testifying that the mortgage document was a company form, the loan was already funded and she needed to be paid in January of 2006 and could not wait another month before being paid on the Andrade loan.
9. When the Magistrate asked Respondent if she taped the signature on the mortgage document as First Ohio testified, Respondent answered "I did."
10. At the conclusion of the bench trial, the Court issued a judgment in favor of First Ohio.
11. The Ohio Revised Code 1322.07 states in part:

No...licensee or applicant for a...license under sections 1322.01 to 1322.12 of the Revised Code shall...

(C) [e]ngage in conduct that constitutes improper, fraudulent, or dishonest dealings.... [or]

(E) [k]nowingly make, propose, or solicit fraudulent, false, or misleading statements on any mortgage document or on any document related to a mortgage, including a mortgage application, real estate appraisal, or real estate settlement or closing document.

12. Respondent has violated R.C. 1322.07(E) by knowingly making false and misleading statements on documents related to a mortgage in order to receive compensation from her employer.
13. Respondent has violated R.C. 1322.07(C) by falsifying documents related to a mortgage loan in order to receive compensation from her employer.
14. According to R.C. 1322.10(A)(1), the Superintendent of Financial Institutions may revoke a loan officer license if the superintendent finds a violation of or failure to comply with any provision of R.C. 1322.01 to R.C. 1322.12.

FINDINGS

1. By making false and misleading statements upon documents related to a mortgage loan in order to receive compensation from her employer, Respondent has violated R.C. 1322.07(E).
2. By falsifying documents related to a mortgage loan via taping a borrower's signature upon a mortgage loan document, Respondent has violated R.C. 1322.07(C).
3. Based upon the authority granted pursuant to R.C. § 1322.10(A)(1) and Respondent's violation of R.C. 1322.07(E) and (C), the superintendent may revoke Respondent's loan officer license.

PROPOSED ACTION

Based upon the allegations and findings above, the Division intends to REVOKE the loan officer license of Kristin M. Nowling (LO# 019113).

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 REVOKING the loan officer license of Kristin M. Nowling (LO# 019113).

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 in person, by Respondent's attorney, or by such other representative as is permitted to practice before the Agency, or Respondent may present her 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 REVOKING the loan officer license of Kristin M. Nowling (LO# 019113).

Signed and Sealed this _____ day of December, 2006.

Robert M. Grieser
Deputy Superintendent of Financial Institutions

cc: Timothy C. Winslow, In House Counsel-Division of Financial Institutions
Matthew J. Lampke, Deputy Attorney General, Executive Agencies