

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

In the matter of:)	
)	Case No. 05-0107MBR
HOMEBASE LENDING, LLC)	
8544 Hickory Hill, Suite 6)	Notice of Intent to Assess Fine and
Poland, OH 44514)	Revoke Mortgage Broker
)	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 Broker Act, codified in Ohio Revised Code ("R.C.") Chapter 1322, and the rules adopted thereunder.

RESPONDENT

Respondent HomeBase Lending, LLC, ("Respondent") is an Ohio limited liability company and holds an active mortgage broker certificate of registration issued by the Division pursuant to R.C. Chapter 1322. The business address of record for Respondent's office is 8544 Hickory Hill, Suite 6. Poland, OH 44514. Respondent's office operates under the mortgage broker certificate of registration number MB#6382. Respondent has no licensed branch offices.

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. The Division conducted an examination of Respondent's office on October 21, 2005 and October 24, 2005.
2. 1322.02(A)(1) states, "No person, on the person's own behalf or on behalf of any other person, shall act as a mortgage broker without first having obtained a certificate of registration from the superintendent of financial institutions for every office to be maintained by the person for the transaction of business as a mortgage broker in this state." Respondent failed to renew its Certificate of Registration by the statutory deadline in 2005; it reapplied and was issued a certificate of registration on August 23, 2005. During the October 2005 examination of Respondent, the examiner noted at least seven occasions where Respondent

originated and closed loans, receiving compensation, during the time period it did not hold a certificate of registration.

3. R.C. 1322.02(B) states: “No person, on the person’s own behalf or on behalf of any other person, shall act as a loan officer without first having obtained a license under the superintendent.” During the October 2005 examination, the Division examiner noted that at least five loan officers had originated mortgage loans without first obtaining a loan officer license.
4. R.C. 1322.062 requires Ohio Mortgage Broker Act Registrants to deliver to the buyer within three days of application for a mortgage a mortgage loan origination disclosure statement. This mortgage loan origination disclosure statement must contain certain information including: (1) the name, address, and telephone number of the buyer; (2) the typewritten name of the loan officer and his or her license number; (3) the street address, telephone number and facsimile number of the registrant and the number designated on the registrant’s certificate of registration, (4) the signature of the loan officer, (5) a statement indicating whether the buyer is to pay for the services of a bona fide third party if the registrant is unable to assist the buyer in obtaining a mortgage, (6) a statement that describes the method by which the fee to be paid by the buyer to the registrant will be calculated; (7) a statement that the lender may pay compensation to the registrant; (8) a description of all the services the registrant has agreed to perform for the buyer; and (9) a statement that the buyer has not entered into an exclusive agreement for brokerage services. During the October 2005 examination, the Division examiner noted that Respondent’s mortgage loan origination statements failed to contain the following: A statement that describes the method by which the fee to be paid to the registrant by the buyer will be calculated; the number designated on the loan officer’s license; and the proper number designated on the registrant’s certificate of registration.
5. 1322.02(A)(1) states, “No person, on the person’s own behalf or on behalf of any other person, shall act as a mortgage broker without first having obtained a certificate of registration from the superintendent of financial institutions for every office to be maintained by the person for the transaction of business as a mortgage broker in this state.” 1301:8-7-04(A) of the Ohio Administrative Code states: “No registrant may establish or maintain a branch office without first obtaining a certificate of registration from the division of consumer finance.” During the October 2005 examination, the Division examiner noted that Respondent is operating a branch office that is not registered with the Division, at 345 High Street, Warren, Ohio.

FINDINGS

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

1. By originating and closing loans and receiving compensation for these services during a time period Respondent did not hold an active certificate of registration, Respondent has violated R.C. 1322.02(A)(1).
2. By allowing unlicensed individuals to act as loan officers for Respondent, Respondent has violated R.C. 1322.07(C) by engaging in improper dealings.
3. By failing to provide buyers with proper mortgage loan origination disclosure statements as required by law, Respondent has violated R.C. 1322.062(A).
4. By maintaining and operating a branch office without first obtaining a certificate of registration from the Division for that branch office, Respondent violated R.C. 1322.02(A)(1) and 1301:8-7-04(A) of the Ohio Administrative Code.

PROPOSED ACTION

Based upon the allegations and findings above, the Division intends to REVOKE the Mortgage Broker Certificate of Registration MB#6382 of HomeBase Mortgage, LLC. and to LEVY A FINE in the amount of \$10,000 for its violation of the Ohio Mortgage Broker Act.

NOTICE OF OPPORTUNITY FOR A HEARING ON PROPOSED ACTION

Therefore, pursuant to R.C. Chapters 1322 and 119, the 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 mortgage broker certificate of registration MB#6382 of HomeBase Mortgage, LLC and to impose a FINE of \$10,000.

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 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 REVOKING the mortgage broker certificate of registration MB#6382 of HomeBase Mortgage, LLC and assessing a fine of \$10,000.

Signed and Sealed this _____ day of _____, 2005.

Robert M. Grieser
Deputy Superintendent of Financial Institutions

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

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