

Ted Strickland
Governor

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

Kimberly A. Zurz
Director

In the matter of:)	Case No. M2006-9992769
)	
BARBARA C. KEEFER)	<u>DIVISION ORDER</u>
8064 Farm Crossing Circle)	Revocation of Loan Officer License
Powell, OH 43065)	&
)	Notice of Appellate Rights

On or around April 28, 2006, the Division of Financial Institutions issued notice to Barbara C. Keefer ("Respondent") that the Division intended to revoke her loan officer license because she had originated a mortgage loan without first obtaining a loan officer license in violation of R.C. 1322.02(B).

Respondent requested an administrative hearing, which was held on September 5, 2006. Respondent appeared. A Report and Recommendation ("Report") was filed with the Division on January 31, 2007, recommending that the Division not revoke Respondent's application, but instead suspend her license for a period of no less than three days and no more than seven days and/or impose a fine of no more than \$500.00. (A copy of the Report is attached hereto). No objections were filed.

In accordance with R.C. 119.09, the Division has considered the record, consisting of the Report, the transcript of testimony and exhibits, as well as all applicable laws. As a result, the Division makes the following findings and conclusions. Any finding and/or conclusion not specifically addressed below is approved, adopted and incorporated herein.

The Division modifies the caption of the hearing officer's Report to correct the spelling of Respondent's name to "Keefer" instead of "Leefer."

The Division modifies the second sentence of paragraph 3 on page 2 of the report to correctly reflect the record and state November 29, 2002 instead of December 29, 2002. (Exhibit D)

The Division modifies paragraph 11 on page 3 of the Report to include Respondent's response as to whether she was paid for the loan in question. When asked, "Now, did you

receive any—get paid for closing this loan?” Respondent answered: “I don’t remember, but I’m going to say yes.” (Tr. at p. 53)

The Division modifies paragraphs 14 and 15 on page 3 of the Report to correct the transcript citations. The citation for paragraph 14 is changed to “Tr. p. 72” and the citation for paragraph 15 is changed to “Tr. p. 64”.

The Division disapproves paragraph 8 on page 5 of the Report, specifically the recommendation that the Division suspend Respondent’s license and/ or impose a fine. The Division also disapproves the Report’s Recommendation on page 6 of the Report.

The Division demonstrated that Respondent originated a mortgage loan falling under the Ohio Mortgage Broker Act when she did not hold an active loan officer license (See paragraphs 5 and 6 on page 5 of the Report). In addition, Respondent admitted to closing at least 24 mortgage loans while working for Gordon Lending Corporation, during the period of November 2003 through April 2004. (Tr. p. 45) Nothing in the record indicates that Respondent acted, in the period in question, any differently than she would have if she had held a loan officer license. Although Respondent had a loan officer license application pending with the Division during this time, she did not have an active loan officer license until December 14, 2004 (Exhibit H).

Further, Respondent ignored indications that she did not hold an active loan officer license for Gordon Lending during the period in question. Respondent stated that she repeatedly asked Gordon Lending to see her license, and Gordon Lending did not show her a license. (Tr. p. 50, 66, and 67). During this time period, after a loan officer obtained a license, he or she had ninety days to pass the loan officer examination or the license terminated by operation of law. The Division presented evidence that Respondent did not take the examination during the period she was licensed for Gordon Lending Corporation. (Tr. p. 25-26) Even if Respondent had obtained a license, she would have had to take the examination for the license to be active for more than ninety days. Not receiving an approval to take the loan officer examination and not taking the loan officer examination would have indicated to Respondent that she was not licensed. Despite Respondent’s apparent questioning as to whether she held a loan officer license, she never called the Division of Financial Institutions to conclusively determine her license status. (Tr. p. 64)

In the several loan applications Respondent filed, Respondent signed an acknowledgement stating:

I have read the Ohio Mortgage Broker Act, codified in Revised Code Chapter 1322, and the rules relating hereto, found in the Ohio Administrative Code

Chapter 1301:8-7, which pertain to mortgage brokering in Ohio. I understand that it is a crime to act as a loan officer in Ohio without first having obtained a license from the Superintendent of Financial Institutions for the Department of Commerce. I further understand that submission of my application materials does not authorize me to act as a loan officer, I must first be issued a license by the Superintendent to act as a mortgage loan officer in Ohio.

(Exhibits D, E, and G). Respondent signed this statement on April 26, 2002, April 2, 2003, and May 25, 2004.

Respondent's repeated questioning of Gordon Lending Corporation regarding her license indicates that she was not certain that she was licensed. Her failure to ensure that she was licensed before acting as a loan officer evidences a lack of the requisite fitness needed of a loan officer. Respondent's actions of signing acknowledgements that (1) an individual is not authorized to act as a loan officer without first obtaining a license and (2) she has read and understands the Ohio Mortgage Broker Act and then subsequently acting as if she has a loan officer license with only a pending application indicates at minimum a lack of understanding of the Ohio Mortgage Broker Act and at most a conscious disregard for the law.

Because Respondent violated R.C. 1322.02(B), the Division hereby revokes the loan officer license of Barbara C. Keefer.

It is so ordered.

NOTICE OF RIGHT TO APPEAL

Respondent is hereby notified that pursuant to R.C. 119.12, this Order may be appealed by filing a notice of appeal with the Ohio Division of Financial Institutions setting forth the order appealed from and the grounds for the appeal. A copy of such notice of appeal must, pursuant to R.C. 119.12, also be filed with the court of common pleas of the county in which the place of business of the Respondent is located, or the county in which the Respondent is a resident. A notice of appeal must be filed within fifteen (15) days after the date of mailing of this Order.

Signed and sealed this 2nd day of April 2008.

LEIGH A. WILLIS

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