

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

In the matter of:)	Case No. M2010-17
)	
AMERICAN MORTGAGE EXPRESS)	Notice of Intent to Revoke Mortgage Broker
FINANCIAL SERVICE, INC. d/b/a)	Registration, Notice of Intent to Impose Fine
American Mortgage Express)	&
700 West Cherry Street)	Notice of Opportunity for a Hearing
Sunbury, OH 43074)	

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. In accordance therewith, the Division is accountable for the registration of mortgage brokers.

RESPONDENT

AMERICAN MORTGAGE EXPRESS FINANCIAL SERVICE, INC. d/b/a American Mortgage Express ("Respondent") is a company that holds a certificate of registration to engage in business as a mortgage broker pursuant to R.C. Chapter 1322. Respondent's business address of record is 700 West Cherry Street, Sunbury, Ohio 43074. Respondent operates under mortgage broker certificate of registration number MB 801638.

NOTICE OF PROPOSED ACTION

In accordance with R.C. 1322.10 and R.C. Chapter 119, the Division intends to REVOKE Respondent's mortgage broker certificate of registration and to impose a FINE of six thousand dollars (\$6,000.00) against Respondent.

BASIS FOR PROPOSED ACTION

The Division has conducted an investigation of Respondent, pursuant to R.C. 1322.10(B), and has found the following:

- A. The Division is authorized by R.C. 1322.10(A)(1)(a) to revoke a mortgage broker certificate of registration if the Division finds that the registrant has violated "or failed to comply with any provisions of sections 1322.01 to 1322.12 of the Revised Code or the rules adopted under those sections or any other law applicable to the business conducted under a certificate of registration[.]"
- B. 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. If the registrant engages in a pattern or repeated violations of a law or rule, the Division is authorized to impose a fine against a mortgage broker registrant of not more than two thousand dollars for each day a violation of law or rule is committed, repeated, or continued.

- C. R.C. 1322.031(E)(2) prior to January 1, 2010 permitted a mortgage broker registrant to employ a loan officer on a temporary basis pending the transfer of that loan officer's license to that mortgage broker if the mortgage broker received written confirmation from the Division that the loan officer is licensed. [On January 1, 2010, R.C. 1322.031(E)(2) became R.C. 1322.041(H)(2)].
- D. R.C. 1322.07(C) prohibits any registrant from engaging in conduct that constitutes improper, fraudulent or dishonest dealings.
- E. The Division is authorized by R.C. 1322.06(A) to examine mortgage broker records that "[pertain] to business transacted pursuant to sections 1322.01 to 1322.12 of the Revised Code."
- F. On or about July 29, 2009, the Division conducted an examination of Respondent's mortgage broker records. During the course of the examination, the Division examiner found that three mortgage refinance loans on primary residences were originated by loan officer Richard E. Bloom ("loan officer Bloom"), LO.006448.
- G. The records obtained during the examination indicated that on or about November 5, 2008, loan officer Bloom originated a federal housing administration refinance loan on the primary residence of a borrower named Rosenau on behalf of Respondent.
- H. The records obtained during the examination indicated that on or about December 15, 2008, loan officer Bloom originated a conventional mortgage refinance loan on the primary residence of a borrower named White on behalf of Respondent.
- I. The records obtained during the examination indicated that on or about January 16, 2009, loan officer Bloom originated a conventional mortgage refinance loan on the primary residence of a borrower named Langley on behalf of Respondent.
- J. In calendar years 2008 and 2009, loan officer Bloom renewed his license in escrow. In letters dated July 2, 2008 and June 16, 2009, the Division informed loan officer Bloom that because he renewed his loan officer license in escrow, "[he would] not be issued a printed a license until [he was] employed by a company registered under the OMBA and transfer [his] license to that company. [Respondent] may not work as a mortgage broker loan officer while [his] license [was] in escrow."
- K. At no time in calendar years 2008 and 2009 did Respondent submit an application to transfer loan officer Bloom's license to Respondent or seek written confirmation that loan officer Bloom was authorized to work as a loan officer.

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

- 1. Respondent's actions as alleged herein constitute violations of R.C. 1322.031(E)(2) [now R.C. 1322.031(H)(2)].
- 2. Respondent's actions as alleged herein constitute violations of R.C. 1322.07(C).
- 3. Because Respondent violated or failed to comply with R.C. sections 1322.031(E)(2) [now R.C. 1322.031(H)(2)] and R.C. 1322.07(C), the Division is authorized under

R.C. 1322.10(A)(1)(a) to revoke Respondent's mortgage broker certificate of registration.

4. Because Respondent committed violations of R.C. 1322.031(E)(2) [now R.C. 1322.031(H)(2)] and R.C. 1322.07(C), the Division may impose a fine up to two thousand dollars (\$2,000.00) for each of Respondent's violations.
5. Respondent violated R.C. 1322.031(E)(2) [now R.C. 1322.031(H)(2)] and R.C. 1322.07(C), Respondent's certificate of registration should be revoked pursuant to 1322.10 (A)(1)(a) and a fine of six thousand dollars (\$6,000.00) should be imposed pursuant to R.C. 1322.10(A)(2).
6. A fine of six thousand dollars (\$6,000.00) 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 revoking Respondent's mortgage broker certificate of registration and imposing a fine of six thousand dollars (\$6,000.00).

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: Lori A. Massey, Consumer Finance Attorney, 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. At the hearing, a corporation must have a representative that is permitted to practice before the Agency, such as an attorney.

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 Respondent's mortgage broker certificate of registration and imposing a fine in the amount of six thousand dollars (\$6,000.00).

Signed and sealed this 12th day of April, 2010.

LEIGH A. WILLIS

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