

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

In the matter of:)	Case No. M2009-773
)	
STAR POINT MORTGAGE, INC.)	Notice of Intent to Revoke Mortgage Broker Registration
3930 Edwards Road)	Notice of Intent to Impose Fine
Cincinnati, OH 45209)	&
)	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 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

STAR POINT MORTGAGE, INC. ("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 3930 Edwards Road, Cincinnati, Ohio 45209. Respondent operates under mortgage broker certificate of registration number MB 802028.

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. 1322.07(F) prohibits any registrant from instructing, soliciting, proposing, or otherwise causing a buyer to sign in blank a mortgage related document.
- D. R.C. 1322.07(C) prohibits any registrant from engaging in conduct that constitutes improper, fraudulent or dishonest dealings.
- E. R.C. 1322.072 prohibits persons from knowingly circumventing, interfering with, obstructing, or failing to cooperate, including making a false or misleading statement, failing to produce records, or intimidating or suborning any witness and tampering with, altering or manufacturing any evidence in connection with any examination or investigation conducted by the superintendent of financial institutions under sections 1322.01 to 1322.12 of the Revised Code.
- F. Pursuant to R.C. 1322.06(A), the Division conducted an examination of Respondent on July 6-7, 2009. During the course of this examination, the Division examiner found that two of Respondent's buyers/consumers (Stevens and Maham) had signed mortgage related documents, Mortgage Loan Origination Disclosure Statements (MLODs), in blank.
- G. Following the Division's July 2009 Examination, on September 16, 2009, the Division sent a subpoena to Respondent requesting individual buyer and HUD files for the two consumers and five others.
- H. When the Division received the response to the subpoena, the documents signed in blank, the MLODs, had been filled out.
- I. On or about January 28, 2010, Respondent's operations manager, Mark Jordan, explained to the Division that after a loan closes, his processor checks the files and fills in any missing information.
- J. The documents obtained during the July 2009 examination and submitted by Respondent under September 2009 subpoena indicate that the two mortgage loans were originated in December of 2008. One loan was closed in December of 2008 and the other in March of 2009.

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. 1322.07(C).
- 2. Respondent's actions as alleged herein constitute violations of R.C. 1322.07(F).
- 3. Respondent's actions as alleged herein constitute violations of R.C. 1322.072.
- 4. Because Respondent violated or failed to comply with R.C. sections 1322.07(C), 1322.07(F) and 1322.072, the Division is authorized under R.C. 1322.10(A)(1)(a) to revoke Respondent's mortgage broker certificate of registration.
- 5. Because Respondent committed violations of R.C. sections 1322.07(C), 1322.07(F) and 1322.072, the Division may impose a fine up to two thousand dollars (\$2,000.00) for each of Respondent's violations.

6. Respondent violated R.C. sections 1322.07(C), 1322.07(F), and 1322.072, 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).
7. 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 11th day of March, 2010.

LEIGH A. WILLIS

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