

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

In the matter of:)	Case No. M2008-730
)	
JUDITH I. DRAKE)	Notice of Intent to Revoke Loan Officer License
1142 Telluride Drive, Unit 506)	and Notice of Intent to Fine
Cincinnati, Ohio 45244)	&
)	Notice Of Opportunity For 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

JUDITH I. DRAKE ("Respondent") is an individual who holds a loan officer license issued pursuant to R.C. Chapter 1322. Respondent's date of birth is May 11, 1943. Respondent's home address of record is 1142 Telluride Drive, Unit 506, Cincinnati, Ohio 45244. Respondent has no employer of record.

NOTICE OF PROPOSED ACTION

In accordance with sections 1322.041 and 1322.10 of the R.C., and R.C. Chapter 119, the Division intends to REVOKE Respondent's loan officer license and impose a FINE of eight thousand dollars (\$8,000.00).

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 loan officer license if the Division finds that the licensee has "violat[ed] or fail[ed] to comply with any provision of sections 1322.01 to 1322.12 of the Revised Code[.]"
- B. The Division is authorized by R.C. 1322.10(A)(2) to "[i]mpose of fine of not more than one thousand dollars, for each day a violation of law or rule is committed, repeated or continued. If the registrant or licensee engages in a pattern of repeated violations of law or rule, the Division may impose a fine of not more than two thousand dollars for each day the violation is committed, repeated, or continued."
- C. 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."

- D. Ohio Admin. Code 1301: 8-7-11(A) requires a loan officer to file a transfer application when she desires to change her employment from one mortgage broker registrant to another.
- E. Ohio Admin. Code 1301: 8-7-11(B) authorizes a loan officer to originate mortgage loans for a new employer when the Division prints a new license identifying the new employer or, after submission of a complete transfer application, when the new employer receives written confirmation from the Division in accordance with R.C. 1322.031(E)(2).
- F. R.C. 1322.031(E)(2) permits 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.
- G. On or about February 21, 2007, the Division received a "Loan Officer License Transfer Application" from Heritage Mortgage Corporation ("Heritage") indicating that effective December 1, 2006 Respondent was its new employee. The Transfer Application included a certificate of employment that was notarized on February 15, 2007 and did not include a "Request for Confirmation of Loan Officer License Status" form.
- H. Because Heritage failed to request written confirmation of Respondent's loan officer status to work, no written confirmation was provided.
- I. In a compliance examination conducted pursuant to R.C. 1322.06 on March 1 and 2, 2007, it was determined that Respondent originated residential mortgage refinance loans in violation of R.C. 1322.031(E)(2) and Ohio Admin. Code 1301: 8-7-11(A) and (B).
- J. The records obtained during the compliance examination indicate that on or about December 11, 2006, January 4, 2007, January 21, 2007 and January 29, 2007, Respondent originated and/or acted as a loan officer on behalf of Heritage to refinance four residential mortgage loans.
- K. The records obtained during the compliance examination indicate that Respondent was compensated for originating the four residential mortgage refinance loans.
- L. On or about February 22, 2007 the Division printed a new loan officer license which identified Respondent's employer as Heritage.

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

1. Respondent violated R.C. 1322.031(E)(2) and Ohio Admin. Code 1301: 8-7-11(A) and (B), which prohibits a loan officer from working for a new employer until her license has been transferred to the new employer or written confirmation of temporary authority to work has been obtained.
2. Because Respondent violated R.C. 1322.031(E)(2) and Ohio Admin. Code 1301: 8-7-11(A) and (B), the Division is authorized under R.C. 1322.10(A)(2) to impose a fine upon Respondent.
3. Because Respondent violated R.C. 1322.031(E)(2) and Ohio Admin. Code 1301: 8-7-11(A) and (B), the Division is authorized under R.C. 1322.10(A)(1)(a) to revoke Respondent's loan officer license.

4. Because Respondent committed repeated and continued violations of R.C. 1322.031(E)(2) and Ohio Admin. Code 1301: 8-7-11(B), the Division may impose a fine up to two thousand dollar (\$2,000.00) for each of Respondent's four violations.
5. A fine in the amount of eight thousand dollars (\$8,000.00) 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 loan officer license and ordering payment of an eight thousand dollar (\$8,000.00) fine under the Ohio Mortgage Broker Act.

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 Examiner, 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 loan officer license and ordering payment of an eight thousand dollar (\$8,000.00) fine.

Signed and sealed this 11th day of December, 2008.

LEIGH A. WILLIS

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