

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

In the matter of:	)	
	)	
<b>AMERICAN HOME MORTGAGE</b>	)	Case No. 07-453CDML
<b>SERVICING, INC.</b>	)	
4600 Regent Blvd.	)	
Irving, TX 75063	)	<b>Notice of Order to Cease &amp; Desist</b>
	)	<b>and</b>
	)	<b>Notice of Opportunity for a Hearing</b>
	)	
	)	

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**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 Loan Act ("OMLA"), codified in Ohio Revised Code 1321.51 to 1321.60, and the rules adopted thereunder.

**RESPONDENT**

Respondent American Home Mortgage Servicing, Inc. ("Respondent") is a Maryland corporation that holds an active mortgage lender certificate of registration issued by the Division pursuant to R.C. 1321.52 of the OMLA. The business address of record for Respondent is 4600 Regent Blvd., TX 75063 with certificate of registration number SM501378. In addition, American Home Mortgage Servicing holds one OMLA registration for a branch office at 538 Broadhollow Rd., Melville, NY 11747 from which it conducts authorized business to which this Notice also applies.

**ALLEGATIONS**

Pursuant to R.C. 1321.53 and R.C. 1321.54, the Division conducted an investigation into the affairs of Respondent, and as a result thereof, alleges the following:

1. American Home Mortgage Servicing offers to originate and make first and second mortgage loans on to consumers on residential property in Ohio and services such loans.
2. The Division has learned that American Home Mortgage Servicing does not have sufficient monies of its own or warehouse lines of credit to fund loans that American Home Mortgage Servicing closed or intended to close with Ohio consumers.

3. As of the issuance of this Order, there are still unfunded loans by Respondent outstanding with Ohio consumers which are past their closing date.
4. The Division has learned through various media sources that the stock of American Home Mortgage Servicing's parent company American Home Mortgage Investment Corp. has dropped considerably because of requests to repurchase mortgage loans it had sold to the secondary market.
5. American Home Mortgage Servicing is in such financial condition that it presently is unable to continue in the business of making any further loan commitments with safety to the Ohio customers.
6. Because of Respondent's inability to fund loans and its impaired net worth, the Division finds Respondent's financial responsibility and general fitness do not command the confidence of the public and warrant the belief that the business will be operated honestly and fairly in compliance with the purposes of the Ohio Mortgage Loan Act as required by R.C. 1321.53(A)(4).

### **FINDINGS**

- I. Based upon the allegations above, the Division has determined that Respondent, American Home Mortgage Servicing, Inc., is in such financial condition that it presently is unable to continue in the business of making any further loan commitments with safety to the Ohio customers.
- II. Because of Respondent's inability to fund loans and its impaired net worth, the Division finds Respondent's financial responsibility and general fitness do not command the confidence of the public and warrant the belief that the business will be operated honestly and fairly in compliance with the purposes of the Ohio Mortgage Loan Act as required by R.C. 1321.53(A)(4).
- III. Based upon the authority granted pursuant to R.C. 1321.54(E), the Division has the authority, after notice and an opportunity for a hearing, to issue a cease and desist order if it determines that a person is engaged in or is believed to be engaged in violations of the Ohio Mortgage Loan Act, R.C. 1321.51 to 1322.60.

### **PROPOSED ACTION**

Based upon the allegations and findings above, the Division intends to issue Respondent an ORDER TO CEASE & DESIST acting or holding itself out as a mortgage lender authorized or engaged in making or originating loans under the OMLA until it demonstrates to the satisfaction of the Division that has sufficient funding and net worth to fund the loans in Ohio for which it makes commitments.

## **NOTICE OF OPPORTUNITY FOR A HEARING ON PROPOSED ACTION**

Therefore, pursuant to R.C. Chapters 1321 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 Respondent an ORDER TO CEASE & DESIST acting or holding itself out as a mortgage lender authorized or engaged in making loans under the OMLA until it demonstrates to the satisfaction of the Division that has sufficient funding and net worth to fund the loans in Ohio for which it makes commitments.

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 or other service 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, 21<sup>st</sup> Floor  
Columbus, Ohio 43215-6120

At the hearing, Respondent may appear in by its 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 Respondent an ORDER TO CEASE & DESIST acting or holding itself out as a mortgage lender authorized or engaged in making loans under the OMLA until it demonstrates to the satisfaction of the Division that has sufficient funding and net worth to fund the loans in Ohio for which it makes commitments.

Signed and Sealed this 6<sup>th</sup> day of August, 2007.

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Richard F. Keck  
Acting 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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