

In the matter of:

Notice of Opportunity for a Hearing

1. American Home Mortgage 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 does not have sufficient monies of its own or warehouse lines of credit to fund loans that American Home Mortgage 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'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 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 Corporation, 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.

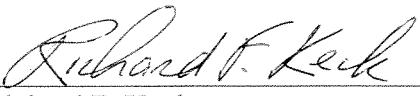
Respondent is further notified, pursuant to R.C. Chapter 119, that Respondent is entitled to a hearing on this matter. If Respondent desires to request a hearing, the request must be made in writing, and must be received in the offices of the Ohio Division of Financial Institutions within thirty (30) 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, 21st 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 3RD day of AUGUST, 2007.



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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