

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

In the matter of:)	Case No. M2008-218
)	
CHESTER E. CENTERS)	DIVISION ORDER
195 East Willow Drive)	&
Zanesville, OH 43701)	Notice of Appellate Rights
)	

The Ohio Department of Commerce, by and through the Superintendent of the Division of Financial Institutions (the "Division"), is charged with the responsibility of administering and enforcing the Ohio Mortgage Broker Act ("OMBA"), as codified in Ohio Revised Code ("R.C.") Chapter 1322, and finds that this Order is necessary and appropriate, in the interest of the public, and is consistent with the purposes of the OMBA.

On or about June 5, 2008, Chester E. Centers ("Respondent") submitted to the Division an application for a loan officer license pursuant to R.C. Chapter 1322.

On April 3, 2009, the Division issued Respondent a Notice of Intent to Deny Loan Officer License Application, which informed him that the Division had conducted an investigation of Respondent and, as a result thereof, alleged that

- A. The Division is authorized by R.C. 1322.10(A)(1)(a) to refuse issuance of a loan officer license if the Division finds that the licensee or applicant has violated or failed "to comply with any provision 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[.]"
- B. R.C. 1322.07(C) prohibits an applicant for a license from engaging in conduct that constitutes improper, fraudulent or dishonest dealings.
- C. The Division is authorized by R.C. 1322.041(A)(6) to issue a loan officer license if the applicant's character and general fitness commands public confidence and warrants the belief that business will be operated honestly and fairly and in compliance with the purposes of the Ohio Mortgage Broker Act.
- D. The Division is required by Ohio Admin. Code 1301:8-7-21(G) to consider if an applicant has "engaged in any conduct which would reflect on the reputation for honesty, integrity or competence in business and personal dealings of the applicant[.]"
- E. On or about October 15, 2002, Charles D. and Teresa A. Cowgill ("the Cowgills") signed a retail installment sales contract to purchase a 28'x 54' double wide

manufactured home from Palm Harbors Homes I, L.P. d/b/a Palm Harbor Village (“Palm Harbors”). The Cowgills’ trade-in was described as a 14’ x 70’ single wide.

- F. The purchase contract signed by the Cowgills included a \$5,500.00 foundation.
- G. The invoice issued by Palm Harbors indicates that a 4-block crawl space was constructed for the Cowgills for \$5,500.00.
- H. In or around the end of October 2002, Palm Harbors removed the Cowgills’ single wide manufactured home, in which they resided at the time, and replaced it with the new double wide manufactured home. The Cowgills were unable to move into the new double wide because they would not obtain the keys until their loan closed.
- I. On or about December 13, 2002, the Cowgills signed mortgage loan application documents prepared by Respondent. When Respondent signed the documents he backdated his signature to August 7, 2002, the approximate date the loan was referred to him by Palm Harbors. There is no indication Respondent met with the Cowgills in August of 2002 when he requested a credit report.
- J. On or about December 22, 2002, Bill Cochran Real Estate Appraisals (“Cochran Appraisals”) prepared an invoice related to the appraisal of the Cowgills property. The invoice indicated it was sent to Respondent. The appraisal report of the Cowgill property prepared by Cochran Appraisals stated that the existing structure had a 1350 square foot basement with block walls, a concrete floor, ceiling joists and an outside entry. The Cowgills property had no basement, only a four block crawl space as indicated by the invoice from Palm Harbors.
- K. Respondent needed the faulty appraisal report described in paragraph J above to support the loan amount sought in the loan application. Ultimately, a mortgage loan in the amount of \$102,000.00 was approved by Option One Mortgage Corporation.
- L. Respondent’s actions, as described above, show Respondent’s character 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 Broker Act. Accordingly, Respondent does not meet the loan officer license issuance requirement found in R.C. 1322.041(A)(6).
- M. Respondent engaged in conduct that constituted improper, fraudulent or dishonest dealings in violation of R.C. 1322.07(C).
- N. Because Respondent violated R.C. 1322.07(C) and does not meet the criteria of R.C. 1322.041(A)(6), the superintendent is authorized to deny issuance of a loan officer license pursuant to R.C. 1322.10(A)(1)(a).

Respondent requested an administrative hearing, which was held before a hearing officer on July 23 and 24, 2009, August 31, 2009 and September 1, 2009. Respondent appeared at the hearing and was represented by counsel. The Administrative Hearing Examiner’s Report and

Recommendation was filed with the Division on November 30, 2009, recommending that the Division approve Respondent's application.

In accordance with R.C. 119.09, the Division has considered the record, consisting of the Report and Recommendation, the transcript of testimony and exhibits, as well as all applicable laws. Following its review of the record, the Division hereby adopts the hearing officer's recommendation.

Therefore, the Division APPROVES the loan officer license application of Chester E. Centers.

It is so ordered.

NOTICE OF APPELLATE RIGHTS

Respondent is hereby notified that pursuant to R.C. 119.12, this Order may be appealed by filing a notice of appeal with the Ohio Division of Financial Institutions setting forth the Order appealed from and the grounds for the appeal. A copy of such notice of appeal must also be filed with the court of common pleas of the county in which the place of business of the Respondent is located, or the county in which the Respondent is a resident. A notice of appeal must be filed within fifteen (15) days after the date of mailing of this Order.

Signed and sealed this 11th day of June, 2010.

LEIGH A. WILLIS

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