

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

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| In the matter of: |) | Case No. 05-0032-LOD |
| |) | |
| DOUGLAS M. HOOVER |) | <u>DIVISION ORDER</u> |
| 410 East 9 th Street |) | Denial of Loan Officer License Application |
| Newport, KY 41071 |) | & |
| |) | Notice of Appellate Rights |
| |) | |

Respondent, Douglas M. Hoover (“Respondent”), submitted a loan officer license application to the Division of Financial Institutions (“Division”) on November 24, 2004. On April 5, 2005, the Division notified Respondent that it intended to deny his loan officer license application (“Application”) because: (1) Respondent attested in a sworn statement that information he provided in his Application was truthful when it was not; (2) Respondent provided untruthful information to the State of Ohio, Department of Commerce, Division of Financial Institutions; (3) Respondent violated R.C. 1322.07(A), (B), and (C) by attesting to the accuracy of the Application and not disclosing his criminal history in his Application, which was filed with the Division; and (4) because 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 R.C. sections 1322.01 to 1322.12, the Ohio Mortgage Broker Act.

Respondent requested an administrative hearing, which was held on July 28, 2005. A Report and Recommendation (“Report”) was filed with the Division on December 8, 2005, recommending that the Division deny Respondent's Application. No objections were filed.

In accordance with R.C. 119.09, the Division has considered the record, consisting of the Report, the transcript of testimony and exhibits, Respondent’s objections as well as all applicable laws. As a result, the Division makes the following findings and conclusions. Any finding and/or conclusion not specifically addressed below is approved, adopted and incorporated herein. (The Report is attached).

The Division disapproves paragraph 12, 13 and 14 on pages 5 and 6 of the Report.

The interpretation of R.C. 1322.07 in the Report is in error. R.C. 1322.07(A), (B), and (C) do not require a deliberative act for their violation. In contrast to 1322.07(E) and (F), which

contain language of intent by use of the term “knowingly,” R.C. 1322.07(A), (B), and (C) do not employ such language. Accordingly, an applicant that fails to carefully read and answer each question in a loan officer application, swears to its veracity, and then files such application with the Division is in violation of R.C. 1322.07(A), (B), and (C) when such answer is patently untrue. Here, Respondent’s failure to disclose his criminal background on the Application was due to his own carelessness. Respondent testified that he “was in a hurry....[a]nd I breezed through this application very quickly, and....I didn’t read further through the question.... (Tr., p. 25). Yet, Respondent affirmed before a notary that his Application was “complete and true” and shortly thereafter filed the Application, containing a false answer as to his criminal history, with the Division. (State’s Ex.. 2A). Respondent’s actions constitute a violation of 1322.07(A), (B), and (C).

The inability to read and understand a direct question evidences a lack of the requisite fitness needed of a loan officer. On a daily basis loan originators deal with consumers’ personal financial information and counsel them on what is most often their largest financial investment. Being able to comprehend and evaluate complicated mortgage documents is a vital part of the job. By not being able to understand a direct question on a licensing application, respondent has demonstrated to the Division that he does not hold the requisite fitness needed to be a loan officer.

With the exceptions stated above the Division hereby adopts the hearing officer’s recommendation and denies the loan officer license application of Douglass M. Hoover.

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 15th day of November 2006.

ROBERT M. GRIESER

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