

Mike DeWine
Governor

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

Sheryl Maxfield
Director

In the matter of:

Case No. M2023-179

HOMETOWN LENDERS, INC.
350 The Bridge Street, Suites 116, 200 & 202
Huntsville, AL 35806

DIVISION ORDER
Revocation and Imposition of Fine

WHEREAS, 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 Residential Mortgage Lending Act, as codified in Ohio Revised Code ("R.C.") Chapter 1322, finds that this Order is necessary and appropriate, in the interest of the public, and consistent with the purposes of the Ohio Residential Mortgage Lending Act (ORMLA).

WHEREAS, HOMETOWN LENDERS, INC. ("Respondent") is a foreign for-profit corporation which holds certificates of registration issued by the Division to engage in business pursuant to ORMLA. Respondent's credential number is RM.84130.000 and its Nationwide Mortgage Licensing System & Registry ("NMLS") ID number is 65084 for its main office. Respondent's address of record is 350 The Bridge Street, Suites 116, 200 and 202, Huntsville, Alabama 35806.

WHEREAS, on December 20, 2023, the Division issued Respondent a Revised Notice of Intent to Revoke, Impose Fine and Opportunity for Hearing ("Notice") which informed it the Division had investigated it and, as a result thereof, alleged that Respondent violated the Ohio Residential Mortgage Lending Act.

WHEREAS, the Notice informed Respondent of the Division's intent to revoke and impose a fine against it and of the opportunity for a hearing within thirty days of the time of service of the Notice.

WHEREAS, the Notice was mailed via certified mail and electronic mail to Respondent on December 20, 2023 and service was perfected in accordance with R.C. 119. Respondent did not request a hearing.

WHEREAS, although Respondent did not request a hearing, the Division scheduled and held an Administrative Hearing pursuant to *Goldman v. State Med. Bd* (1996), 110 Ohio App.3d 124, 673 N.E.2d 677.

The hearing was held on February 22, 2024. Respondent neither attended the hearing nor presented its position, arguments, or contentions in writing.

On March 21, 2024, the Hearing Examiner filed a report and recommendation ("Report and Recommendation or "R&R") with the Division. (A copy is attached). The Report and Recommendation affirmed the Division's proposed revocation of Respondent's ORMLA certificate(s) of registration and imposition of a fine. The Report and Recommendation was timely

sent to Respondent by electronic mail and service was perfected. Respondent timely filed written objections to the Report and Recommendation.

Pursuant to R.C. 119.09, the Division may approve, modify or disapprove the recommendation of a hearing examiner based upon the Report and Recommendation, transcript of testimony and evidence, or objections of the parties and any additional testimony and evidence permitted.

WHEREAS, the Division, having considered the record, including the objections submitted by Respondent, transcript of testimony and evidence, and the Hearing Examiner's Report and Recommendation, **determines to modify the Hearing Examiner's R&R as follows:** on Page 5, Paragraph 8 replace "Joseph Fiorello" with "Christopher Fiorello." On Page 10 replace heading "II. Conclusions of Law" with "III. Conclusions of Law."

NOW THEREFORE, with the exception of the modifications above, the Division of Financial Institutions hereby Confirms and Adopts the Hearing Examiner's Report and Recommendation. Respondent is hereby ordered to pay the Division a fine in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00). Payment shall be in the form of a cashier's check or money order(s) made payable to "Treasurer-State of Ohio" and shall be submitted within thirty (30) days of Respondent's receipt of this Order.

NOW THEREFORE, Respondent's certificate(s) of registration is hereby Permanently Revoked.

IT IS SO ORDERED.

NOTICE OF APPELLATE RIGHTS

Respondent is hereby notified that pursuant to R.C. 119.12, this Division Order may be appealed by filing a notice of appeal with the Division setting forth the order that Respondent is appealing from and stating that the Division's order is not supported by reliable, probative, and substantial evidence and is not in accordance with law. The notice of appeal may also include, but is not required to include, the specific grounds for the appeal. The notice of appeal must also be filed with the appropriate court of common pleas in accordance with R.C. 119.12. In filing the notice of appeal with the Division or court, the notice that is filed may be either the original notice or a copy of the original notice. The notice of appeal must be filed within fifteen (15) days after the date of service of this Division Order.

Signed and sealed this 16th day of April 2024.



PAMELA J. PRUDE-SMITHERS

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

STATE OF OHIO
DEPARTMENT OF COMMERCE
DIVISION OF FINANCIAL INSTITUTIONS

In the Matter of:)	Case No. M2023-179
Hometown Lenders Inc.,)	Loren L. Braverman,
)	Hearing Examiner
Respondent.)	

HEARING EXAMINER’S REPORT AND RECOMMENDATION

I. Introduction

A hearing in the above-referenced matter was held on February 22, 2024, at 10:00 a.m. at the Offices of the Ohio Department of Commerce, Division of Financial Institutions (“Division”), 77 South High Street, 22nd Floor, Columbus, Ohio 43215. Appearing as counsel for Division were Daniel Martin and Jacob Erwin, Assistant Ohio Attorneys General. Allyson Porter, an Administrative Professional in the Consumer Finance Legal Section of the Division, Jennifer Conley, a former employee of Respondent resident in Ohio, Darlene Hall, a Division Consumer Finance Examiner, and Kenneth Haynie, the Chief Examiner of the Consumer Finance Section of the Division, appeared in person and testified. Christopher Fiorello appeared and gave testimony via the Teams videoconferencing platform. The following exhibits were admitted into evidence at the conclusion of testimony: State’s Exhibits A (the notice of hearing and delivery documentation), B (a January 2, 2024 Subpoena Duces Tecum to Respondent): C (Respondent’s MU1 filing), D (emails between an employee of Respondent and the DIVISION); E (a spreadsheet including upfront mortgage insurance payment for FHA loans underwritten by Respondent, which also was ordered to be placed under seal); F (a spreadsheet of applications for mortgages in Respondent’s pipeline, which was ordered to be placed under seal); G (Ohio licensing information for

Respondent); H (an order granting a request to permit witness to testify remotely); and I (a Recommended Order on Findings of Fact and Conclusions of Law and Final Order of the Bureau of Loans of the Alabama State Banking Department in *In the Matter of Hometown Lenders, Inc.*, MC-2023, 003, revoking the licenses of Respondent and its owner William E. Taylor, Jr.).

Respondent Home Town Lenders, Inc. (“Respondent”) neither requested nor was present at the hearing.

II. Findings Of Fact

1. Respondent is a foreign for-profit corporation which holds certificates of registration issued by the Division to engage in business pursuant to R.C. Chapter 1322. For its main office, Respondent's credential number is RM.804130.000 and its NMLS ID number is 65084. Respondent's address of record is 350 The Bridge Street, Suites 116, 200 and 202, Huntsville, Alabama 35806. (Tr. 19, 43, Exhibit A). William E. Taylor, Jr. is the CEO and sole shareholder of Respondent. Until recently, Respondent conducted its mortgage business in as many as 47 states. (Tr. 24-25).

2. The Division issued a Revised Notice of Intention to Impose Fine & Notice of Opportunity for a Hearing (“Notice of Intention”) to Respondent on December 20, 2023, in which it gave notice of its intention to revoke Respondent’s certificate of registration under the Ohio Residential Mortgage Lending Act (“ORMLA”) and impose a fine. (Tr. 12, Exhibit A, pp. 4-11). The Notice of Intention informed Respondent that, pursuant to R.C. Chapter 119 and R.C. 1322.09(A)(1)(a) and (A)(2), the DIVISION intended to revoke its certificates of registration and to impose a fine for the violations of R.C. Chapter 1322 alleged therein. The Notice of Intention, in accordance with R.C. 119.06 and 119.07, also notified Respondent that it was entitled to a hearing if requested

in writing within 30 days of the date of service of the notice. A request for hearing form was included with the Notice of Intention. *Id.*

3. The Notice of Intention alleged in four counts that Respondent had violated provisions of R.C. Chapter 1322. In Count One, it was alleged that “beginning on or about November of 2022 and continuing until at least on or about September 30, 2023, Respondent failed to timely remit, or did not remit at all, upfront mortgage insurance premiums ("MIP") it collected from at least 7 Ohio borrowers participating in the FHA Single Family mortgage insurance program. Respondent was required to remit upfront MIP within ten calendar days of the mortgage closing or disbursement date, whichever is later. Respondent violated R.C. 1322.40(B) and R.C. 1322.40(C) by failing to timely remit, or remit at all, upfront MIP.” Exhibit A, pp. 5-6.

4. In Count Two, the Notice of Intention alleged that “on or about August 28, 2023, Respondent's Ohio Qualifying Individual or Operations Manager designate was removed from Respondent's sponsorship. On or about September 9, 2023, Respondent removed its Ohio Qualifying Individual or Operations Manager designee without designating a new individual. As of the date of this Notice, Respondent's failure to designate a new Qualifying Individual or Operations Manager in compliance with R.C. 1322.12(A) continues.” Exhibit A, p. 6.

5. Count Three consisted of an allegation that “on or about November 1, 2023, the Division requested by electronic mail sent to Respondent at its email address of record, a searchable electronic spreadsheet of mortgage loan applications taken for Ohio borrowers from January 1, 2021 through October 1, 2023 to enable the Division to conduct a Compliance Examination. The deadline to provide the information was November 10, 2023. On November 9, 2023, the Division sent a follow-up email

requesting a response by November 15, 2023. On November 13, 2023, Respondent replied by email stating it would not provide the requested information, had ceased business operations and was in the process of surrendering its registration. As of the date of this Notice, Respondent has failed to cooperate with the Division's request in violation of R.C. 1322.34 and R.C. 1322.35.” Exhibit A, pp. 6-7.

6. Count Four alleged that, “Title 15 of U.S. Code Section 1639d(b) requires an escrow or impoundment account for the payment of property taxes and/or insurance premiums on property secured by a first lien mortgage loan made or guaranteed by a State or Federal Government lending agency. Based on the Division’s investigation to date and other publicly available information, the Division has ongoing concerns regarding whether Respondent failed to remit required Escrow payments. On or about November 8, 2023, the Division requested Respondent, within seven days, provide documents and information concerning MIP collection and payment and Escrow accounts (August 1, 2023 to present) of five Ohio borrowers currently being serviced by Respondent. As of the date of this Notice, Respondent has failed to cooperate, in violation of R.C. 1322.35, with the Division's request.” Exhibit A, pp. 7-8.

7. The Notice of Intention was sent by certified mail on January 22, 2024, to Respondent at its address of record, and to InCorp Services, its statutory agent, at its address of record at 9435 Waterstone Boulevard, Suite 140, Cincinnati, Ohio 45249. (Tr. 13; State’s Exhibit A, p. 1). The certified mail was received by the statutory agent on December 23, 2023. (Tr. 14-15, Exhibit A, pp. 12-16) and by Respondent on December 27, 2023. (Tr. 16-17, Exhibit A, pp. 17-19). In addition, the Division sent the Notice of Intention to Respondent on December 20, 2023 by electronic mail to the email address on file. Delivery of the email was completed at 4:20:45 p.m. on the same day. (Tr. 16,

Exhibit A, p. 16). The Division did not receive a written request for hearing from Respondent. (Tr. 13).

8. Joseph Fiorello was Respondent's Chief Operations Officer until his resignation on October 9, 2023. He had been appointed to the position in late May or early June 2023 after a long career in various other positions with Respondent. He testified that the residential mortgage market turned at the end of 2022 which adversely affected Respondent's business. Executives, including Mr. Fiorello, were asked by Mr. Taylor, to take a 50% pay cut. Beginning in April 2023, Mr. Fiorello met daily with owner Mr. Taylor to inform him, among other things, what MIP needed to be paid. Mr. Taylor would make decisions afterwards whether and when to make those payments. (Tr. 26).

9. Mortgage insurance is required by HUD for an FHA mortgage. Mr. Fiorello explained that as part of the closing for an FHA loan, a borrower must pay an upfront MIP, which is done by financing an amount equal to 1.75% of the loan. Respondent in turn was required to pay the 1.75% that the borrower financed to HUD within 10 days of closing in order to complete the insurance on the loan. (Tr. 27). Prior to 2022, Respondent's internal process was to make the payment to HUD the day after closing. (Tr. 28).

10. Respondent did not adhere after October 2022 to either its internal process for payment of PMI to HUD or the requirement to pay within 10 days of the mortgage closing or disbursement date, whichever was later. (Tr. 28). According to the testimony of Mr. Fiorello, which I find credible, Mr. Taylor chose not to make payments upfront MIP to HUD. (Tr. 28-29). The money appears to have been used instead as operating funds. (Tr. 29). Given his knowledge that money was not being made

available to remit to HUD for upfront MIP, Mr. Fiorello was concerned that escrow payments were not being placed into appropriate accounts. (Tr. 29-30).

11. While still working for Respondent, Mr. Fiorello prepared at the request of regulators from the State of Alabama Banking Department, Bureau of Loans (“Alabama”), who were investigating Respondent, a spreadsheet which documented numerous FHA mortgage loans closed by Respondent for which upfront MIP was not remitted to HUD. Included among the loans were 19 FHA mortgages for Ohio borrowers closed between November 23, 2022 and August 17, 2023.¹ (Tr. 112-115). The amounts of upfront MIP’s financed by those borrowers but not remitted by Respondent to HUD ranged from \$1,062.12 to \$5,235.12. (Tr. 36-37, Exhibit E).

12. The failure of Respondent to remit upfront MIP to HUD adversely affected Ohio borrowers in several ways. First, Respondent put the funds to a use other than their intended purpose, resulting in the borrowers paying interest on something for which they derived no benefit. Second, prior to its financial difficulties, Respondent generally would sell its mortgages to investors within 10 to 15 days after closing they collect the payments. The investors would be responsible for servicing the loan, including the collection of payments from the borrower and payment of escrows for taxes and insurance. (Tr. 27-32). But because Respondent did not remit the upfront MIP to HUD, the loans were not insured and therefore couldn’t be sold. (Tr. 32). That left Respondent holding hundreds of loans which it was required but ill-equipped to service.

13. As another consequence of its inability to sell its inventory of mortgage

¹ Ohio borrowers are identifiable by loan numbers in the first column of Exhibit E that begin with the number 1750 or 1760. (Tr. 69-70).

loans, Respondent “maxed out” its warehouse line capacity to obtain funds to make mortgage loans due to its inability to sell its uninsured loans. It could not lend to any borrowers who were in its application pipeline, including a substantial numbers of borrowers who were at various stages in the lending process and had locked-in interest rates. (Tr. 32).

14. Exhibit F is a spreadsheet identified by Mr. Fiorello as Respondent’s Active Pipeline list, which identifies pending unconsummated applications for mortgage loans. The document, which was also prepared at Alabama’s request, contained that names of applicants from states in which Respondent did business, including 41 applicants in Ohio. (Tr. 32-42, Exhibit F).

15. Darlene Hall is employed as a Consumer Finance Examiner for the Division. One of her duties is to ensure that mortgage companies licensed by the Division have of record a Qualified Individual as required by Ohio law. Ms. Hall testified that Respondent notified the Division via NMLS that it was removing its Qualifying Individual. (Tr. 88). She identified Exhibit B, a state license item generated via the Nationwide Multistate Licensing System (“NMLS”), which she created on August 29, 2023, by which she notified Respondent that it needed to have a qualified individual in place by November 26, 2023. A second entry from Ms. Hall entered on the same date informed Respondent that “each mortgage company must designate an “operations manager” (OM) who must be a licensed mortgage loan originator in Ohio with 3 years of experience to be listed as a qualifying individual on Form MU1.” Respondent was further directed to contact Ms. Hall with any questions by email and to inform her when the designation was made. Respondent did not contact her or identify a qualified individual. (Tr. 83-88, 91, Exhibit G).

16. Ms. Hall further testified that Respondent attempted to surrender its Ohio Residential Mortgage Lending Act (“ORMLA”) Certificate of Registration with the Division on November 30, 2023. (Tr. 88-90, Exhibit C). The request was not approved by the Division.

17. On November 15, 2023, Alabama revoked the Respondent’s consumer credit license in that state for failure to escrow MIP money and properly make MIP payments, failure to cooperate with the state Banking Department by providing information as requested and failure to timely update its NMLS database. (Exhibit E, pp. 2-3, 11).

18. Kenneth Haynie is the Chief Examiner of the Division’s Consumer Finance Section, responsible for reviewing and examining licensees to assure compliance with Ohio law. His office learned that Alabama intended to revoke Respondent’s mortgage lending license following a conference call with regulators from a number of states addressing concerns with its handling of upfront MIP. Following receipt of that information, his office initiated what Mr. Haynie described as a routine examination of Respondent’s compliance with Ohio consumer finance laws. As part of that examination, Respondent was sent an email on November 1, 2023, requesting that it provide the Division a searchable spreadsheet detailing all applications for mortgage loans taken between January 1, 2021 through October 1, 2023, and for each loan, the closing date, amount, the licensee responsible for originating the loan, the identity of the lender that funded or purchase the loan, the application date, mortgage program type, property address, and identifying loan number. Respondent was directed to provide that information to the Division by November 10, 2023. (Tr. 97-98). Because Respondent did not answer the Division’s email, Mr. Haynie sent a follow-up email on

November 9, 2023, requesting that the spreadsheet be submitted by November 15, 2023. Heather Brooks responded by email on behalf of Respondent on November 13, 2023, telling Mr. Haynie that “unfortunately, we will not be able to provide the requested information. As you may already know, HomeTown Lenders, INC ceased business operations on October 13th, 2023. We are currently in the process of surrendering our company license in NMLS. I want to apologize for any trouble or inconvenience.” (Tr. 95-99, Exhibit D).

19. Mr. Haynie testified that Respondent remained obliged to provide information requested by and cooperate with the Division notwithstanding its desire to surrender its license. (Tr. 99-100).

20. During the course of its review, the Division learned from Jennifer Conley, a loan officer and licensed Ohio operations manager for Respondent, that Respondent had not been paying MIP premiums to HUD on FHA mortgage loans and was improperly handling escrow accounts. It issued a subpoena *duces tecum* to Respondent on January 2, 2024, seeking the production of documents and files related to mortgage loans then serviced by Respondent, and documents detailing the payment history and escrow accounts for those loans. The subpoena *duces tecum* was served on Respondent by certified mail and email. Respondent did not provide the documents demanded by the subpoena *duces tecum*. (Tr. 100-103, Exhibit B).

21. The Notice of Intention states in Count Four that “on or about November 8, 2023, the Division requested Respondent within seven days to provide documents and information concerning MIP collection and payment in escrow accounts (August 1, 2023, to present) of five Ohio borrowers currently being serviced by Respondent.” Mr. Haynie was unable to identify such a written communication, (Tr. 107-109), and a

document corresponding to that description was not introduced or entered into evidence.

II. Conclusions of Law

1. The Division has the burden of proving by a preponderance of the evidence its allegations against Respondent. *VFW Post 8586 v. Ohio Liquor Control Comm.*, 83 Ohio St.3d 79, 81 (1998); *Trotter's Inc. v. Ohio State Liquor Control Comm.* 10th Dist. Franklin No. 05AP-880, 2006-Ohio-2448 ¶38. The Division has proved by a preponderance of the evidence that the complied with all jurisdictional and procedural requirements set forth in R.C. Chapter 119 and R.C. 1322.50(A). The Division has met its burden of proof and shown by a preponderance of the evidence the violations set forth in Counts One, Two and Three of the Notice of Intention. The Division has not met its burden of proving by a preponderance of the evidence the allegations in Count Four of the Notice of Intention.

Count One

2. R.C. 1322.40(B) prohibits a registrant from making material fact, omissions of statements "mak[ing] false or misleading statements of material fact required by state or federal law, or false promises regarding a material fact, through advertising or other means, or engag[ing] in a continued course of misrepresentations." R.C. 1322.40(C) prohibits a registrant from "engag[ing] in conduct that constitutes improper, fraudulent, or dishonest dealings. The Division has proved by a preponderance of the evidence that beginning on November 23, 2022, and continuing until through the date of hearing, Respondent failed to timely remit, or did not remit at all, upfront mortgage insurance premiums it collected from at least seven Ohio borrowers participating in the FHA Single Family mortgage insurance program. Respondent was required to remit upfront MIP to HUD within ten calendar days of the

mortgage closing or disbursement date, whichever is later. Because it failed to do so, Respondent violated R.C. 1322.40(B) and R.C. 1322.40(C).

Count Two

3. R.C. 1322.12(A) provides each registrant shall designate an employee or owner of that registrant's business as the operations manager [eligible pursuant to R.C. 1322.12(B) and who] shall be responsible for the management, supervision, and control of a particular registrant." The Division has proved by a preponderance of the evidence that Respondent violated R.C. 1322.12(A) when it removed its Operations Manager designee without designating a new individual and, as of the date of the hearing, failed to designate a new Operations Manager.

Count Three

4. R.C. 1322.34(A) provides that "as often as the superintendent of financial institutions considers it necessary, the superintendent may examine the records of a registrant or licensee or holder of a letter of exemption issued under this chapter, including all records created or processed by a licensee, pertaining to business transacted pursuant to this chapter." Compliance is required without regard to whether the registration is cancelled, surrendered, or revoked or if the registrant otherwise ceases to engage in business. RC. 1322.34(B).

5. The Division has proved by a preponderance of the evidence that it requested on November 1 and November 15, 2023 that Respondent submit provide a searchable electronic spreadsheet of mortgage loan applications taken for Ohio borrowers from January 1, 2021 through October 1, 2023 to enable the Division to conduct a Compliance Examination. The deadline to provide the information was set originally for November 10, 2023 and, in the second request, for November 15, 2023. On November 13, 2023, Respondent replied by email stating it would not provide the

requested information, had ceased business operations, and was in the process of surrendering its registration. Respondent continued up to the date of the hearing to fail to cooperate with the Division. Its refusal and subsequent failure to cooperate was in violation of R.C. 1322.34 and R.C. 1322.35.

Count Four

6. R.C. 1322.50(B) provides that "the superintendent may investigate alleged violations of this chapter or the rules adopted under this chapter or complaints concerning any violation." R.C. 1322.35 provides that "No person, in connection with any examination or investigation conducted by the superintendent of financial institutions under this chapter, shall knowingly ... (A) Circumvent, interfere with, obstruct, or fail to cooperate, including ... failing to produce records ..."

7. An escrow or impoundment account for the payment of property taxes and/or insurance premiums is required on property secured by a first lien mortgage loan made or guaranteed by a State or Federal Government lending agency. 15 U.S.C. §1639(b). Based on the Division's investigation and other publicly available information, the Division had good reason to be concerned that Respondent failed to properly remit escrow payments. However, the Division has not adduce evidence at the hearing that on or about November 8, 2023, the Division requested that Respondent, within seven days, provide documents and information concerning MIP collection and payment and Escrow accounts from August 1, 2023 to the date of the request of five Ohio borrowers being serviced by Respondent. For that reason, there is insufficient evidence to support the specific allegation of failure to cooperate in violation of R.C. 1322.55 alleged in Count Four of the Notice of Intent.

Disciplinary Action

8. The Superintendent of the Division is authorized to suspend, revoke, or refuse to issue or renew a certificate of registration if it finds that a registrant fail[ed] to

comply with any provision of R.C. Chapter 1322, the Ohio Residential Mortgage Lending Act, or the rules adopted under that Act, federal lending law, or any other law applicable to the business conducted under a certificate of registration or license. R.C.

1322.50(A)(1)(a). Because Respondent failed to comply with R.C. 1322.40(B) and R.C. 1322.40(C) as alleged in Count 1, R.C. 1322.12(A) as alleged in Count Two, and R.C. 1322.34 and R.C. 1322.35 as alleged in Count Three, the Superintendent is authorized to revoke Respondent's registration.

9. Furthermore, the Superintendent is authorized to "impose a fine of not more than one thousand dollars, for each day a violation of a law or rule is committed, repeated, or continued. If the registrant engages in a pattern of repeated violations of a law or rule, the superintendent may impose a fine of not more than two thousand dollars for each day the violation is committed, repeated, or continued." R.C.

1322.50(A).


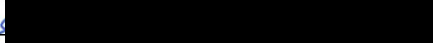
10. Respondent has repeatedly and continuously violated ORMLA as set forth in Count One, Two and Three of the Notice of Intention, it is subject to an enhanced \$2,000 daily fine as provided by R.C. 1322.50(A). The violations which the Division has proved by a preponderance of the evidence are serious and repeated and there are a sufficient number of days during which the violations were committed, repeated, or continued to support a fine of that magnitude. Respondent failed to remit upfront PMI to HUD with respect to mortgages issued to 19 different Ohio borrowers between November 23, 2022 through the date of the hearing, a period of 453 days. It failed to designate an operations manager as directed by the Division occurred over a period of at least 88 days, from November 26, 2023, through the date of hearing. It refused on November 13, 2023, to cooperate with the request of the Division for a searchable electronic spreadsheet of mortgage loan applications taken for Ohio

borrowers from January 1, 2021 through October 1, 2023 to enable the Division to conduct a Compliance Examination, a refusal that continued for 101 days through the date of the hearing. The Division through its counsel at the hearing asserts that a total fine of \$250,000 is appropriate and a preponderance of the evidence supports the assessment of such a penalty under the standard set forth in R.C. 1322.50(A)(2).

IV. Recommendation

For the reasons set forth above, I recommend that the Superintendent of the Division of Financial Institutions revoke Respondent's certification pursuant to R.C. 1322.50(A)(1)(a) and impose a fine against Respondent in the amount of \$250,000 pursuant to R.C. 1322.50(A)(2).

Respectfully Submitted,



Loren L. Braverman
Hearing Examiner

Dated: March 21, 2024