



## Ohio Administrative Code Rule 1301:8-7-16 Prohibited practices.

Effective: September 1, 2024

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Conduct that constitutes improper, fraudulent, or dishonest dealings under division (C) of section 1322.40 of the Revised Code includes the following:

- (A) Failing to return all original documents provided to the registrant or licensee by the borrower;
- (B) Permitting an unlicensed individual to originate residential mortgage loans;
- (C) Sharing or splitting any commission, discount, fee or other compensation for originating a residential mortgage loan with a person who is not licensed or registered under Chapter 1322. of the Revised Code but who should be licensed or registered;
- (D) Knowingly aiding, abetting, or conspiring with a person to circumvent the requirements of Chapter 1322. of the Revised Code or this rule chapter;
- (E) Recommending or encouraging default or delinquency or continuation of an existing default or delinquency by a borrower on any existing indebtedness prior to closing a residential mortgage loan which refinances all or a portion of such existing indebtedness;
- (F) Promising to refinance a residential mortgage loan in the future at a lower interest rate or with more favorable terms;
- (G) Materially underestimating closing costs;
- (H) Depositing any residential mortgage loan disbursement check that is not made payable to the registrant, qualified exempt entity or licensee;
- (I) Abandoning or improperly disposing of loan files containing financial and mortgage information of borrowers;



(J) Refusing or failing to fund a consummated loan, other than when an borrower rescinds the loan in accordance with 12 C.F.R. 1026.15 or 1026.23 (relating to the right of rescission), as in effect on May 1, 2024;

(K) Evading the limits on points and fees for qualified mortgages set forth in 12 C.F.R. 1026.43(e)(3), as in effect on May 1, 2024, by conducting business in conjunction with a person registered or who should be registered pursuant to Chapter 4712. of the Revised Code. Assisting a borrower with improving his or her credit record, history, or rating as well as removing adverse credit information are considered part of the normal activities of a registrant or qualified exempt entity; or

(L) Any other conduct the superintendent determines constitutes improper, fraudulent, or dishonest dealings.