



Ohio Revised Code

Section 1321.59 Prohibited acts.

Effective: December 28, 2009

Legislation: Senate Bill 124 - 128th General Assembly

(A) No registrant under sections 1321.51 to 1321.60 of the Revised Code shall permit any borrower to be indebted for a loan made under sections 1321.51 to 1321.60 of the Revised Code at any time while the borrower is also indebted to an affiliate or agent of the registrant for a loan made under sections 1321.01 to 1321.19 of the Revised Code for the purpose or with the result of obtaining greater charges than otherwise would be permitted by sections 1321.51 to 1321.60 of the Revised Code.

(B) No registrant shall induce or permit any person to become obligated to the registrant under sections 1321.51 to 1321.60 of the Revised Code, directly or contingently, or both, under more than one contract of loan at the same time for the purpose or with the result of obtaining greater charges than would otherwise be permitted by sections 1321.51 to 1321.60 of the Revised Code.

(C) No registrant shall refuse to provide information regarding the amount required to pay in full a loan under sections 1321.51 to 1321.60 of the Revised Code when requested by the borrower or by another person designated in writing by the borrower.

(D) On any loan or application for a loan under sections 1321.51 to 1321.60 of the Revised Code secured by a mortgage on a borrower's real estate which is other than a first lien on the real estate, no person shall pay or receive, directly or indirectly, fees or any other type of compensation for services of a mortgage broker that, in the aggregate, exceed the lesser of one thousand dollars or one per cent of the principal amount of the loan.

(E) No registrant or licensee shall obtain a certificate of registration or license through any false or fraudulent representation of a material fact or any omission of a material fact required by state or federal law, or make any substantial misrepresentation in the registration or license application, to engage in lending secured by real estate.

(F) No registrant or licensee, in connection with the business of making or offering to make



residential mortgage loans, shall knowingly make false or misleading statements of a material fact, omissions of statements required by state or federal law, or false promises regarding a material fact, through advertising or other means, or engage in a continued course of misrepresentations.

(G) No registrant, licensee, or person making loans without a certificate of registration in violation of division (A) of section 1321.52 of the Revised Code, shall knowingly engage in conduct, in connection with the business of making or offering to make residential mortgage loans, that constitutes improper, fraudulent, or dishonest dealings.

(H) No registrant, licensee, or applicant involved in the business of making or offering to make residential mortgage loans shall fail to notify the division of financial institutions within thirty days after knowing any of the following:

(1) That the registrant, licensee, or applicant has been convicted of or pleaded guilty or nolo contendere to a felony offense in a domestic, foreign, or military court;

(2) That the registrant, licensee, or applicant has been convicted of or pleaded guilty or nolo contendere to any criminal offense involving theft, receiving stolen property, embezzlement, forgery, fraud, passing bad checks, money laundering, breach of trust, dishonesty, or drug trafficking, or any criminal offense involving money or securities, in a domestic, foreign, or military court;

(3) That the registrant, licensee, or applicant has had a mortgage lender registration or mortgage loan originator license, or comparable authority, revoked in any governmental jurisdiction.

(I) No registrant or licensee shall knowingly make, propose, or solicit fraudulent, false, or misleading statements on any mortgage document or on any document related to a mortgage loan, including a mortgage application, real estate appraisal, or real estate settlement or closing document. For purposes of this division, "fraudulent, false, or misleading statements" does not include mathematical errors, inadvertent transposition of numbers, typographical errors, or any other bona fide error.

(J) No registrant or licensee shall knowingly instruct, solicit, propose, or otherwise cause a borrower



to sign in blank a loan-related document in connection with a residential mortgage loan.

(K) No registrant or licensee shall knowingly compensate, instruct, induce, coerce, or intimidate, or attempt to compensate, instruct, induce, coerce, or intimidate, a person licensed or certified as an appraiser under Chapter 4763. of the Revised Code for the purpose of corrupting or improperly influencing the independent judgment of the person with respect to the value of the dwelling offered as security for repayment of a mortgage loan.

(L) No registrant or licensee shall willfully retain original documents provided to the registrant or licensee by the borrower in connection with the residential mortgage loan application, including income tax returns, account statements, or other financial-related documents.

(M) No registrant or licensee shall, in connection with making residential mortgage loans, receive, directly or indirectly, a premium on the fees charged for services performed by a bona fide third party.

(N) No registrant or licensee shall, in connection with making residential mortgage loans, pay or receive, directly or indirectly, a referral fee or kickback of any kind to or from a bona fide third party or other party with a related interest in the transaction, including a home improvement builder, real estate developer, or real estate broker or agent, for the referral of business. Nothing in this division shall prevent remuneration to a registrant or licensee for the licensed sale of any insurance product that is permitted under section 1321.57 of the Revised Code, provided there is no additional fee or premium added to the cost for the insurance and paid directly or indirectly by the borrower.

(O) No registrant, licensee, or person making loans without a certificate of registration in violation of division (A) of section 1321.52 of the Revised Code shall, in connection with making or offering to make residential mortgage loans, engage in any unfair, deceptive, or unconscionable act or practice prohibited under sections 1345.01 to 1345.13 of the Revised Code.