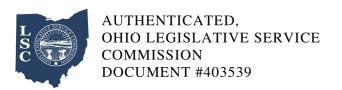


Ohio Administrative Code Rule 1301:8-7-16 Prohibited practices.

Effective: September 19, 2025

Conduct that constitutes improper, fraudulent, ordishonest dealings under division (C) of section 1322.40 of the Revised Codeincludes the following:

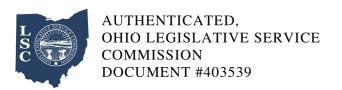
- (A) Failing to return all original documents provided to the registrant or licensee by the borrower;
- (B) Permitting an unlicensed individual to originate residential mortgage loans;
- (C) Sharing or splitting any commission, discount, fee, or other compensation for originating a residential mortgage 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;

(L)

- (1) A mortgage servicer assessing on a borrower a premium charge or fee related to force-placed insurance unless both of the following apply:
- (a) The mortgage servicer has a reasonable basis to believe that the borrower has failed to comply with the residential mortgage loan contract's requirement to maintain hazard insurance;
- (b) The mortgage servicer delivers or mails to the borrower a written notice at least forty-five days before assessing such charge or fee.
- (2) As used in this paragraph, "force-placed insurance" means hazard insurance obtained by a mortgage servicer on behalf of the owner or assignee of a mortgage loan that insures the property securing such loan, but does not include any of the following:
- (a) Hazard insurance required by the federal Flood Disaster Protection Act of 1973, 87 Stat. 975, 42 U.S.C. 4002 et seq., as in effect on June 1, 2025;
- (b) Hazard insurance obtained by a borrower but renewed by the borrower's mortgage servicer as described in 12 C.F.R. 1024.17(k)(1), (2), or (5), as in effect on June 1, 2025;



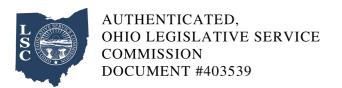
- (c) Hazard insurance obtained by a borrower but renewed by the borrower's mortgage servicer at its discretion, if the borrower agrees.
- (3) As used in paragraph (L) of this rule, "hazard insurance" means insurance on the property securing a residential mortgage loan that protects the property against loss caused by fire, wind, flood, earthquake, theft, falling objects, freezing, and other similar hazards for which the owner or assignee of such residential mortgage loan requires insurance.
- (M) A mortgage servicer directly or indirectly employing any scheme, device, or artifice to defraud or mislead a borrower or mortgage lender or to defraud any person;
- (N) A mortgage servicer misrepresenting or omitting any material information in connection with the servicing of a residential mortgage loan, including misrepresenting the amount, nature, or terms of any fee or payment due or claimed to be due on a residential mortgage loan, the terms and conditions of the servicing agreement, or the borrower's obligations under the residential mortgage loan;
- (O) A mortgage servicer failing to apply payments in accordance with a servicing agreement or the terms of a note:
- (P) A mortgage servicer making payments in a manner that causes a policy of insurance to be canceled or causes property taxes or similar payments to become delinquent;

(Q)

(1) A mortgage servicer failing to credit a periodic payment to the borrower's account as of the date of receipt, except when a delay in crediting does not result in any charge to the borrower or in the reporting of negative information to a consumer reporting agency, or except as provided in paragraph (Q)(3) of this rule. For purposes of this rule, a periodic payment is an amount sufficient to cover principal, interest, and escrow for a given billing cycle. A payment qualifies as a periodic payment even if it does not include amounts required to cover late fees, other fees, or non-escrow payments a mortgage servicer has advanced on a borrower's behalf.



- (2) In the case of a mortgage servicer that retains a partial payment in a suspense or unapplied funds account, upon accumulation of sufficient funds to cover a periodic payment in any suspense or unapplied funds account, failing to treat such funds as a periodic payment received in accordance with paragraph (S)(1) of this rule;
- (3) If a mortgage servicer specifies in writing requirements for the borrower to follow in making payments, but accepts a payment that does not conform to the requirements, failing to credit the payment as of five days after receipt.
- (4) As used in paragraph (Q) of this rule, "partial payment" means a payment that is less than a periodic payment.
- (R) A mortgage servicer requiring any amount of money to be remitted by means which are more costly to the borrower than a bank or certified check or attorney's check from an attorney's account to be paid by the borrower;
- (S) A mortgage servicer failing to satisfy a claim, related to activity conducted pursuant to Chapter 1322. of the Revised Code, that has been reduced to a judgment;
- (T) A mortgage servicer commingling the money or property of a borrower or mortgage lender with the money or property of the mortgage servicer, or converting the money or property of another person to the mortgage servicer's own use;
- (U) A mortgage servicer charging a fee for any of the following:
- (1) Handling a borrower dispute;
- (2) Facilitating routine borrower collection;
- (3) Arranging a repayment or forbearance plan;
- (4) Sending a borrower a notice of nonpayment;



- (5) Updating records to reinstate a residential mortgage loan.
- (V) A mortgage servicer imposing a late fee or delinquency charge for a payment if both of the following apply:
- (1) Such a fee or charge is attributable solely to failure of the borrower to pay a late fee or delinquency charge on an earlier payment;
- (2) The payment is otherwise a periodic payment received on the due date, or within any applicable courtesy period.
- (W) Any other conduct the superintendent determines constitutes improper, fraudulent, or dishonest dealings.