



# Monthly Mortgage Summary

Georgia Department of Banking & Finance ~ Non-Depository Financial Institutions Division  
 Monthly Summary of Mortgage Activities for the Period Ending May 2010

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## Important Information about the Mortgage Loan Originator Application Process

The Department continues its review of more than 5,000 mortgage loan originator ("MLO") applications that have been filed through the Nationwide Mortgage Licensing System ("NMLS"). At this time, the Department expects to take action by July 31, 2010, on all complete applications that were received by this agency as of April 16, 2010.

In terms of the order in which they will be processed, the Department first is working on all complete applications that were received on or before April 16, 2010. All incomplete MLO applications submitted before April 16, 2010, that have since become complete will be worked next. All other applications that were filed since April 16, 2010, will be worked in order of their receipt.

Although the Department is working diligently to review applications as quickly as possible, this agency cannot guarantee to provide by July 31, 2010 a disposition on any application that was received after April 16, 2010. Further, any application that has been abandoned or remains incomplete is subject to being administratively withdrawn or denied by the Department.

During the course of a review of a MLO application, the need may arise for a member of the Department's staff to contact an applicant by e-mail or through a communication sent through the NMLS. It is the MLO applicant's responsibility to ensure at all time that the information that he or she has on file with the NMLS is current and accurate, particularly all contact information including, but not limited to, the applicant's name, business and home addresses, work and home telephone numbers, as well as at least one e-mail address at which communications from the Department can be received.

Many MLO applications contain deficiencies the existence of which have either delayed the review process or resulted in the Department being unable to act on them unless they are remedied. Common problems observed by staff in MLO applications include the following:

*(Continued on page 2)*

## Important Information about the Mortgage Loan Originator Application Process (continued)

*(Continued from page 1)*

- The MU-4 fails to accurately reflect an applicant's current place of employment and sponsorship.
- All jurisdiction-specific documents (a Mortgage Loan Originator Oath of Applicant form, a Background Check Authorization form, a Designation of Mortgage Loan Originator Bond Coverage form, as well as any required information required to be submitted to supplement responses to the MU-4 Disclosure Questions) have not been provided by the applicant to the Department or have not been provided in the manner directed. It is the MLO's responsibility to ensure that all documents that are requested have been submitted to the Department and that they are complete when they are provided.
- Both the National and Georgia exams have not been taken and passed by the applicant with a minimum score of 75 on each.

In conducting its more substantive review of each MLO application filed, the two areas that cause the greatest potential for a denial recommendation result from an assessment performed of a MLO applicant's level of financial responsibility and the results of his or her criminal background check.

As it relates to financial responsibility, the law requires that the Department make a determination that an applicant has made a satisfactory demonstration of it. During the application process, all MLOs provide authorization to the Department to check their credit. This agency does this by obtaining and reviewing each applicant's credit report to ensure that he or she does not have negative entries on its, including past due balances owed on accounts, outstanding child support payments, defaulted student loans, unpaid tax liens, accounts placed for collection, and unsatisfied judgments.

Should any such negative entries be found on an applicant's credit, he or she will be sent an e-mail by a member of the Department's staff inquiring about them. More specifically, a staff member will ask the applicant to send an explanation of the situation along with documentation showing that each account for which a negative entry has been filed by a creditor either has been satisfied in full with or is the subject of written payment arrangements that have been entered into with each creditor under the terms of which three consecutive payments have been made.

It is critical that applicants with credit problems provide to the Department's staff the specific documentation that has been requested in the timeframe that it is directed to be produced. It is not sufficient to respond to such requests for proof of payment on accounts or documentation showing payments are being made under a written agreement by offering a written account of personal, economic and other reasons why the negative credit entries have been reported. Similarly, it is not adequate to provide letters of recommendation or even credit reports from prior years showing that at one time the applicant did possess better credit.

This information fails to provide any relevant basis for the Department to make the determination required by law that shows that at this time, when a MLO license is being requested, the applicant has demonstrated

## **Important Information about the Mortgage Loan Originator Application Process (continued)**

*(Continued from page 2)*

financial responsibility. What the Department needs to see as evidence of this is what it has requested: specific documented evidence showing that all creditors have been satisfied in full or have been paid in at least three installments pursuant to a written payment arrangement. If an applicant is unwilling or unable to do provide this information in the timeframe provided by the Department, a strong likelihood exists that a Notice of Intent to Deny Application for a Mortgage Loan Originator's License ("Notice of Intent to Deny") will be issued.

If the results of an applicant's criminal background check show the existence of a conviction for what in Georgia is categorized as a felony, questions are raised whether he or she will qualify for MLO licensure in the state of Georgia. Unlike other states in which a MLO applicant may have a license, the law in the state of Georgia does not permit the Department to license any person who has been convicted of a felony. This is the case irrespective of how long ago the felony conviction occurred and the underlying crime for which the conviction was entered. There is only one set of recognized exceptions to this rule: if the applicant either has had the conviction set aside, reversed, or otherwise abrogated by a court of law; has been sentenced under the state's first offender act and successfully has completed and been discharged from that sentence by a court of law; has been issued a pardon from the president of the United States or the governor or the pardoning authority in the jurisdiction where the conviction occurred; or has obtained from a state's pardoning body an official certification that constitutes a restoration of one's civil rights.

If the background check of an applicant reveals the existence of what is or may be a felony conviction or of a charge having been entered for a crime for which there is no disposition, he or she will be contacted by a staff member requesting that specific documentation regarding the charge be provided. It is the applicant's responsibility to provide the particular information about the criminal event being requested by the Department in the manner it is requested within the designated timeframe. Failure to respond appropriately will either significantly delay action being taken on the application or result in a recommendation being made as to its denial.

In an application for MLO licensure is determined to be in order either as initially filed or after requested information has been provided to the Department, it will be approved. Once this occurs, an e-mail will be sent to the applicant by the NMLS that this has occurred. Within days, the Department will send the successful applicant an e-mail containing instructions how to download his or her MLO certificate. An applicant should carefully read the instructions provided by the Department to ensure that he or she can successfully obtain a licensure certificate.

Should an applicant's level of financial responsibility, past felony history or other deficiency with respect to his or her application result in a recommendation of its denial, he or she will be issued a Notice of Intent to Deny Application by the Department. The rights and responsibilities of a recipient of a Notice of Intent to Deny are set forth therein. If the applicant wishes to challenge the issuance of that order, he or she has twenty days from the date of the Notice of Intent to Deny to send the Department a written request for a hearing.

## **Important Information about the Mortgage Loan Originator Application Process (continued)**

*(Continued from page 3)*

A MLO seeking licensure may withdraw his or her application at any time before it is granted. Should an applicant receive a Notice of Intent to Deny, he or she is free to withdraw his or her application at any time prior to that order becoming final.

In an instance in which a Notice of Intent to Deny has been issued to an applicant who has credit issues, it serves no purpose for that applicant to send documentation to the Department that is irrelevant to the issue of whether he or she has demonstrated financial responsibility in an attempt to have this order withdrawn. Again, such things as letters from friends and former employers attesting to their opinions about the applicant, documents containing statements how long the applicant has been in the industry and how good he or she is at his job, copies of credit reports showing a good history in the years before application for a license was made, or written communications further elaborating on personal or professional setbacks that have caused an applicant's credit problems are of no value to the Department in further considering its decision to deny an applicant's license. Rather, in order to fulfill its lawful obligation made an assessment whether a particular applicant has demonstrated financial responsibility, the Department must be provided with the exact information its staff previously requested of the applicant that was not satisfactorily provided: written documentation showing that each creditor of the applicant has been satisfied in full or that written payment arrangements have been entered into with each of the applicant's creditors and three consecutive payments have been made pursuant to their terms.

Should an applicant who has not been finally denied a license wish to withdraw his or her application at any time before July 31, 2010, he or she may do so and continue originating mortgage loans through that date. As of August 1, 2010, all mortgage loan originators must be licensed or exempt from licensure to originate loans.

Please note, however, that this does not apply to an applicant who has been issued a final denial notice issued after an opportunity for a hearing was provided. In an instance in which a final order of denial has been issued, the applicant must cease originating mortgage loans immediately.

The Department appreciates all of the cooperation that it has received from its applicants to date and looks forward to granting MLO licenses to all qualified applicants that are seeking them.

## **A Call to Brokers and Lenders to Assist with the Mortgage Loan Originator Licensing Process**

The heavy volume and content of phone calls and e-mails received by the staff of the Department has created a concern that some applicants for MLO licenses are not taking advantage of all the information that this agency has been making available. As a broker or lender, please encourage MLOs in your employ to frequently check the Department's website for updates about the licensing process. Please also share with them the following:

- All MLO applicants for licensure that have provided the Department with a correct e-mail address should be receiving notifications with access to each issue of its Mortgage Division's Monthly Summary, the content of which should be read. To receive these and other relevant publications from this agency, an application for licensure must make sure that his or her e-mail address as listed on the NMLS is correct at all times.
- Due to heavy workloads and time constraints placed on the members of its limited staff, the Department regrets that it is unable to accommodate telephone calls and/or unannounced visits regarding matters such as the status of a specific MLO application, general or specific inquiries regarding credit matters, requests for advice whether an application should be filed, etc. Please alert all MLOs in your employ that their status with the NMLS will remain listed as "Pending Incomplete" until their licenses are approved or denied.
- Some MLOs have taken either or both of the required licensing tests without passing. The overall test failure rate is approximately 30% and requires a 30-day wait before the test can be retaken. After failing either test four times, an applicant for a MLO license is required by law to wait six months before he or she is eligible to take it again. If a MLO applicant fails either or both tests on four consecutive occasions, he or she can expect to be issued a Notice of Intent to Deny by this agency. If, before this occurs, an applicant passes the test he or she previously failed four times before the full six-month waiting period elapses, the results of that passing score will be deemed a nullity by the Department and will not be considered for any purpose as far as licensure is concerned.

The Department appreciates your assistance in making sure that this valuable information is conveyed to all MLO employees.

## Increase in GRMA Per Loan Fee from \$6.50 to \$10.00

On May 12, 2010, O.C.G.A. Section 7-1-1011(2)(b) was amended to increase from \$6.50 to \$10.00 the loan fee that must be remitted to the Department for each residential mortgage loan that closes for which a security deed, a modification of a security deed or other form of modification of a security interest is recorded.

For the reporting period of January 1, 2010 through June 30, 2010, per loan fees must be remitted to the Department through our online reporting and payment site no later than Wednesday, September 1, 2010.

For residential mortgage loans that closed on any date from January 1, 2010, through May 11, 2010, a fee of \$6.50 per loan must be remitted to the Department. A fee of \$10.00 must be remitted to the Department for each residential mortgage loan that closes on any date from May 12, 2010, through June 30, 2010.

After the current reporting cycle concludes, a \$10.00 fee for each residential loan that closes will be applicable unless and until such time as a further law change may take effect.

## NDFI CUSTOMER SERVICE STARS

It is the Department's goal to provide excellent customer service by meeting and exceeding the expectations of our customers. Along those lines, we would like to recognize the following individuals for going above and beyond in serving our customers:

**Senior NDFI Division Attorney Helen O'Leary** - The Department received an e-mail from a customer stating: "I would like to commend Ms. O'Leary for being instrumental in securing a refund from an unscrupulous mortgage broker. She also followed-up with me to see if I received a check. Upon my initial contact with your office I was told that I was pretty much on my own, but that it wouldn't hurt to write a letter of complaint. Ms. O'Leary turned this letter into a refund and I think that deserves some "brownie points"."

**Supervisory Manager Larry Shelley** - The Department received a letter from a customer stating: "I would like to express my appreciation for the assistance of Larry Shelley. Mr. Shelley was very helpful and courteous when I called to discuss surrendering our license. I appreciate his time and patience."

**CONGRATULATIONS AND GREAT JOB TO THIS MONTH'S  
CUSTOMER SERVICE STARS!!**

## NDFI Outreach

### AND UPCOMING SPEAKING ENGAGEMENTS

- ❖ Deputy Commissioner for Non-Depository Financial Institutions Rod Carnes will be speaking to the Georgia Manufactured Housing Association on **June 17th** in Forsyth, GA.

## ADMINISTRATIVE ACTIONS

### Cease and Desist Orders Which Became Final

- ◆ Advance Mortgage Source, Inc., Spartanburg, SC (license# 22988) - Order to Cease and Desist issued 04/08/2010 became final 05/08/2010.
- ◆ Colligan, Patrick d/b/a/ Help Me Buy, Help Me Buy, Inc., [www.helpmebuy.com](http://www.helpmebuy.com), [www.americanmortgagecenter.com](http://www.americanmortgagecenter.com), Augusta, GA - Order to Cease and Desist issued 03/30/2010 became final 05/05/2010.
- ◆ Equities, LLC, Marietta, GA - Order to Cease and Desist issued 03/30/2010 became final 05/05/2010.
- ◆ Homefront Solutions Corporation d/b/a [www.homefrontsolutions.org](http://www.homefrontsolutions.org), Commerce, GA - Order to Cease and Desist issued 03/30/2010 became final 05/05/2010.
- ◆ Kim, Hyunju B., Bloomington, IL (license# 23226) - Order to Cease and Desist issued 04/16/2010 became final 05/18/2010.
- ◆ Lockaby, L. Glynn, Atlanta, GA (license# 23893) - Order to Cease and Desist issued 04/16/2010 became final 05/18/2010.
- ◆ Meredian Financial Corporation, Costa Mesa, CA - Order to Cease and Desist issued 04/27/2010 became final 05/28/2010.
- ◆ Moore, Carl (Trevon), Lithonia, GA - Order to Cease and Desist issued 04/09/2010 became final 05/05/2010.
- ◆ Mortgage Mediation Center, Inc. d/b/a [www.mortgagemediationcenter.com](http://www.mortgagemediationcenter.com), Commerce, GA - Order to Cease and Desist issued 03/30/2010 became final 05/05/2010.
- ◆ Reese, Jane d/b/a Express Processing Services, Rowlett, TX - Order to Cease and Desist issued 03/30/2010 became final 05/05/2010.
- ◆ Summit United Corporation d/b/a Summit Alliance, [www.summitloanhelp.com](http://www.summitloanhelp.com), Costa Mesa, CA - Order to Cease and Desist issued 04/09/2010 became final 05/12/2010.
- ◆ United Entrepreneurs, LLC dba [www.modifyamericasloan.com](http://www.modifyamericasloan.com), Marietta, GA - Order to Cease and Desist issued 03/30/2010 became final 05/06/2010.
- ◆ Wood, Sheron H., Griffin, GA (license# 18554) - Order to Cease and Desist issued 04/08/2010 became final 05/08/2010.

## ADMINISTRATIVE ACTIONS

### Final Consent Orders

- ◆ Georgia Southern Mortgage Group, Inc., Roswell, GA (license# 20383) - Consent Order issued 05/26/2010 became final 05/26/2010.
- ◆ Romeo, Gene, Atlanta, GA - Consent Order issued 05/26/2010 became final 05/26/2010.

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### Superior Court Injunctions Issued

- ◆ Bibb, Robert Vance, Canton, GA - Cherokee County Superior Court issued a Final Consent Order on 05/04/2010 which became final 05/04/2010.

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## Fine Information

Information regarding fines assessed against a specific licensee for which there is no pending administrative action, is available on an individual licensee basis by submitting a written request to the following e-mail address: [dbfmort@dbf.state.ga.us](mailto:dbfmort@dbf.state.ga.us)

### FINE REASON

1 Licensee fined for Change in Management

1 Licensee fined for acquisition of 25% ownership without approval

**MORTGAGE BROKER AND LENDER LICENSEES/REGISTRANTS APPROVED OR REINSTATED IN MAY 2010**

LIC#	CODE	NAME	CITY	ST	ORIGINAL APPROVAL	RENEWAL	REINSTATED
7342	B	Baxley Housing Center, Inc.	Baxley	GA	10-06-1995	05-07-2010	05-07-2010
18639	B	American Freedom Lending, LLC	Atlanta	GA	10-10-2003	05-21-2010	05-21-2010
24299	B	Kirk Buchholz	Woodstock	GA	05-14-2010	05-14-2010	
29007	B	Sentrix Financial Services, Inc.	Fort Lauderdale	FL	05-21-2010	05-21-2010	

**TOTAL: 4**

**MORTGAGE LOAN ORIGINATOR LICENSEES APPROVED IN MAY 2010**

**Total: 1152**

Due to the large number of MLO licenses approved during May, a separate document is provided at the following link from the Department's website:

[http://dbf.georgia.gov/vgn/images/portal/cit\\_1210/16/12/160128965MLOApprovalsMay2010.pdf](http://dbf.georgia.gov/vgn/images/portal/cit_1210/16/12/160128965MLOApprovalsMay2010.pdf)

**LICENSE STATUS CHANGE INDICATORS & MORTGAGE LICENSE CODES– (In Tables)**

License Status Indicators		(MBCODE) - Mortgage License Codes	
*	Upgrade Broker to Lender	B	Broker
#	Upgrade Lender to Registrant	P	Processor
+	Downgrade Lender to Broker	L	Lender
•	Downgrade Registrant to Lender	R	Registrant
		O	Originator

**LICENSEES/REGISTRANTS REVOKED, EXPIRED, WITHDRAWN OR DENIED IN MAY 2010**

LIC#	CODE	APPNAME	CITY	ST	REVOKED	EXPIRED	WITHDRAWN	DENIED
7123	LD	AAA Financial Corp.	Coral Springs	FL			05/03/2010	
11400	BD	Richard H. Davis, National Limited Mortgage Services, Inc.	College Park	GA			05/03/2010	
11587	LD	The Home Place Mortgage Co., Inc.	Gainesville	GA			05/03/2010	
21761	BD	1st American Freedom Mortgage, LLC	Lawrenceville	GA			05/03/2010	
22761	BD	Collateral Mortgage Corporation	Woodstock	GA			05/03/2010	
23690	BD	Southern Lending Consultants, LLC	Athens	GA			05/03/2010	
17296	LD	First Interstate Financial Corp.	Shrewsbury	NJ			05/05/2010	
18318	BD	Teresa Lumsden	Rome	GA			05/05/2010	
23346	BD	Clear Summit Mortgage, Inc.	Columbia	MD			05/05/2010	
5640	BD	Cobb Mortgage Professionals, Incorporated	Marietta	GA			05/07/2010	
16609	LD	Equity Services, Inc.	Raleigh	NC			05/17/2010	
6555	BD	Atlanta Mortgage Funding, Inc	Lawrenceville	GA			05/18/2010	
20787	LD	Summit Mortgage Corp.	Chicago	IL			05/18/2010	
24117	BD	American Hallmark Mortgage Corporation	Jacksonville	FL			05/18/2010	
22132	BD	Fulton & Kozak Mortgage Services, LLC	Morrow	GA			05/21/2010	
23363	BD	Win Financial Corp.	Sacramento	CA			05/21/2010	
24014	LD	Sparta Special Servicing LLC	Jacksonville	FL			05/21/2010	
18554	BD	Sheron H. Wood	Griffin	GA		05/08/2010		
22988	LD	Advance Mortgage Source, Inc.	Spartanburg	SC		05/08/2010		
23226	BD	Hyunju B. Kim	Bloomington	IL		05/18/2010		
23893	BD	L. Glynn Lockaby	Atlanta	GA		05/18/2010		

**TOTAL: 21**

**OFFICE CLOSING**

This is a reminder that the Department will be closed on Friday, July 2nd for the Independence Day holiday.

**Georgia Department of  
Banking and Finance**

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**We're on the Web!**  
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*The Department is the state agency that regulates and examines banks, credit unions, and trust companies chartered by the State. The Department also has regulatory and/or licensing authority over mortgage brokers/processors, lenders and loan originators, money service businesses, international banking organizations, and bank holding companies conducting business in Georgia.*

*Our **MISSION** is to promote safe, sound, competitive financial services in Georgia through innovative, responsive regulation and supervision.*

*Our **VISION** is to be the best financial services industry regulator in the country – Progressive. Proactive. Service-Oriented.*

*Our Motto is: "Safeguarding Georgia's Financial Services"*

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