

**BEFORE THE DEPARTMENT OF BANKING AND FINANCE
STATE OF GEORGIA**

AMERICAN EQUITY MORTGAGE, INC.	Petitioner
vs.	
GEORGIA DEPARTMENT OF BANKING AND FINANCE	Respondent
DEANNA LYNN DAUGHHETEE	Petitioner
vs.	
GEORGIA DEPARTMENT OF BANKING AND FINANCE	Respondent

FILED

DEC 21 2012

GEORGIA DEPARTMENT OF
BANKING AND FINANCE

DOCKET NO. DBF-MBL-12-00-11

CONSENT ORDER

On December 11, 2012, the Georgia Department of Banking and Finance ("Department") issued a proposed Notice of Intent to Revoke Annual License to American Equity Mortgage, Inc. ("American Equity"), mortgage lender license number 13015, Nationwide Mortgage Licensing System ("NMLS") number 1899, and a proposed Order to Cease and Desist to Deanna Lynn Daughhettee, Owner and CEO of American Equity Mortgage, Inc., for violations of the Georgia Residential Mortgage Act, O.C.G.A. § 7-1-1000 *et seq.* ("GRMA"), including: employing a felon in violation of O.C.G.A. § 7-1-1004(h); failing to perform Georgia Crime Information (G.C.I.C.) background checks on covered employees in violation of O.C.G.A. § 7-1-1004(k), and failing to report the existence of administrative actions taken against the licensee in violation of O.C.G.A. § 7-1-1007(d)(3).

The parties have reached a settlement of the issues raised by the proposed Notice of Intent to Revoke Annual License and the proposed Order to Cease and Desist and have agreed to a resolution of those matters in their entirety.

Accordingly, it is hereby ORDERED as follows:

1. American Equity will strictly comply with the terms of this Consent Order, the Georgia Fair Lending Act, O.C.G.A. § 7-6A-1 *et seq.*, and GRMA, as well as the Department's Rules enacted pursuant thereto.

Failure to do so may result in additional administrative action being brought against American Equity and any of its employees or agents.

2. American Equity shall develop and implement policies, procedures, and practices that will ensure compliance with all applicable Georgia laws and regulations. American Equity shall further adopt best practices, including but not limited to the following:

a. American Equity shall initiate background checks for all covered employees within 10 days of their initial hire. All background checks shall be handled by the Georgia Crime Information Center ("G.C.I.C."), in compliance with O.C.G.A. § 7-1-1004(k). Pursuant to O.C.G.A. § 7-1-1004(h), no individual shall be employed by American Equity if he or she has been convicted of a felony for which an official certification or pardon has not been obtained that removes the legal disabilities resulting from such conviction and restores civil and political rights. American Equity will perform G.C.I.C. background checks, at a minimum, every other year, on its existing employees that perform Georgia residential mortgage loan activity. Results of background checks shall be maintained in employees' personnel files and made available to the Department upon request.

b. Pursuant to O.C.G.A. § 7-1-1007(d), American Equity shall, within ten (10) days after knowledge of the event, report in writing to the Department:

i. any knowledge or discovery of an act prohibited by O.C.G.A. § 7-1-1013, including mortgage fraud;

ii. the discharge of any employee for dishonest or fraudulent acts; and

iii. any administrative, civil, or criminal action initiated against the licensee, registrant, or any of its control persons by any governmental entity.

c. American Equity shall ensure that all American Equity employees, including licensed mortgage loan originators, claiming the employee exemption to mortgage broker licensing, shall be at all times eligible for employment in compliance with the provisions and prohibitions of O.C.G.A. § 7-1-1004, as provided by O.C.G.A. § 7-1-1001(14), and meet the criteria provided by Department Rule 80-11-4.03(2).

d. American Equity shall maintain a record of the license numbers or exemption status of any loan originator, broker, lender or processor with whom American Equity conducts business. American Equity shall verify mortgage loan originator, broker and lender licenses as well as the entry of any final administrative actions on the Department's website (www.dbf.georgia.gov) and the Department's monthly Mortgage Summary publication.

e. American Equity shall not operate from any location in Georgia any office that does not satisfy the requirements of a branch as set forth by O.C.G.A. § 7-1-1006(f) and Department Rule 80-11-1-.03(4).

f. American Equity shall immediately implement measures to ensure that its business operations and employees are subject to an appropriate level of supervision at all times by an approved branch manager. A "branch manager" is defined as a person who supervises daily activities in Georgia of a licensee, whether at a main or branch location, and regardless of job title. Department Rule 80-11-1-.04(1). For the purposes of this Consent Order, "supervision" shall mean daily management and oversight that is reasonably designed to result in compliance with GRMA, and the rules of the Department by loan originators, processors and other individuals in the employ of American Equity.

g. American Equity shall submit an application for approval of all new branch managers within 15 days of placement and shall remove the person immediately should the department deny approval, as provided for in O.C.G.A. § 7-1-1006(g).

3. American Equity shall segregate, and expressly state in written policies and procedures, the assigned duties for branch managers, loan originators, loan processors and other employees that conduct or oversee Georgia residential mortgage activity. For purpose of this Consent Order, the term "loan processor" shall mean, generally, an employee who collects and/or verifies from a borrower or other person, information that is necessary to underwrite or to submit for underwriting, a mortgage loan application package and any activities, including but not limited to, those provided in Department Rule 80-11-4-.07(3).

4. Approved branch manager(s) shall review American Equity's mortgage loan management reports on a monthly basis to maintain personal knowledge of new and pending transactions for his or her branch.

5. American Equity shall continue to perform a monthly quality control assurance review of a minimum of 10% of the GRMA loans closed and 10% of the GRMA loans withdrawn or denied within the month. American Equity shall maintain a list of loan files reviewed for purposes of the monthly quality assurance review.

6. Within sixty (60) days of the effective date of this Consent Order, American Equity shall provide to the Department a written progress report detailing the actions that have been and will be undertaken to comply with the terms of this Consent Order.

7. Within ten (10) business days of the entry date of this Consent Order, American Equity shall update its responses to the Disclosure Questions on its NMLSR filings to reflect this Consent Order resolving the administrative action against it. In addition, written notification shall be given to each state in which American Equity holds a mortgage license or registration disclosing the existence of this Consent Order and a copy of it, where such notification is required by state law.

8. All written notifications and requests for approval required by this Consent Order shall be mailed to:

Georgia Department of Banking and Finance
Attention: Director of Non-Depository Financial Institutions
2990 Brandywine Road, Suite 200
Atlanta, Georgia 30341

9. The Department shall rescind the proposed Order to Cease and Desist issued to Deanna Lynn Daughhete upon the entry of this Consent Order.

10. The Department shall withdraw the proposed Notice of Intent to Revoke issued to American Equity upon entry of this Consent Order.

11. American Equity shall pay to the Department a fine in the amount of \$97,000.00 in full and final satisfaction of any and all monetary claims that have or could have been brought by this agency in connection with the violations for which the proposed Notice of Intent to Revoke Annual License dated December 11, 2012, was issued. The fine shall be paid in certified funds and shall be remitted contemporaneously with the entry of this Order.

12. American Equity shall contribute \$2,000.00 to the State Regulatory Registry, LLC, a wholly-owned subsidiary of the Conference of State Bank Supervisors ("CSBS") to support the NMLS, jointly sponsored by CSBS and the American Association of Residential Mortgage Regulators. This contribution shall be paid in certified funds, be made payable to the State Regulatory Registry, LLC, and shall be remitted contemporaneously with the entry of this Consent Order.

13. The terms of this Order may be enforced by the Department pursuant to O.C.G.A. §§ 7-1-1017(g) and 7-1-1018(b).

14. The Consent Order shall be regarded as a public document that the Department may publish in the same manner as a final order of this agency.

SO ORDERED AND ENTERED, this 21st day of December 2012



ROBERT M. BRASWELL
Commissioner
Georgia Department of Banking and Finance

Consented to by:



Date 12/20/12
Deanna Lynn Daughhete, Owner and CEO
American Equity Mortgage, Inc.
11933 Westline Industrial Drive
St. Louis, MO 63146



Date 12/21/12
Rod Carnes, Deputy Commissioner
Department of Banking and Finance
2990 Brandywine Road, Suite 200
Atlanta, Georgia 30341

*In her individual capacity and as owner of
American Equity Mortgage, Inc.*