



Monthly Summary of Mortgage Activities

Georgia Department of
Banking & Finance

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Web Check for
Outstanding C&D
and Consent Orders

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FOR THE PERIOD ENDING

December 2005

SUMMARY OF ACTIVITIES

MORTGAGE DIVISION

WEB SITE: www.state.ga.us/dbf

STAFF: www.state.ga.us/dbf/staff.html

News Items

COMMISSIONER BRASWELL'S THREE INITIAL PRIORITIES

Commissioner Braswell has indicated the following priorities for the Department:

- The initial priority is addressing Department staffing issues caused by retirements, promotions, and reorganization.
- As a second priority, the Commissioner will be getting acquainted or reacquainted with the leadership of the bank and credit union associations and their members.
- The third initial, and crucial priority will be to increase lenders' awareness of their roles and responsibilities in preventing mortgage fraud.

REORGANIZATION PLANS: PROMOTING EFFECTIVENESS AND EFFICIENCY

The Department has made several changes in its organization to ensure maximization of resources while remaining as effective and efficient as possible. With those goals in mind, the following changes took place effective January 1, 2006:

Corporate Division Functions:

The Corporate Division is no longer a separate division. The Corporate Division's primary

responsibilities concerned the processing of applications and registrations for all supervised entities with the exception of mortgage licensees. The division also handled supervisory functions for Money Service Businesses. The financial institutions (bank, CU, etc.) application and regulatory related functions now fall under the Supervision Division. With this structural change, Corporate Manager Murali Ramachandran reports directly to Director for Supervision Bob Rosentreter.

Mortgage Division & Money Service Businesses (MSBs):

The Money Services Businesses (MSBs) functions of the Corporate Division, which include licensing, registration, and regulation functions, now fall under the Mortgage Division. The Mortgage Division's name, changed to reflect these new functions, is now the **Non-Depository Financial Institutions Division**.

Supervisory Manager for MSBs, Joel Byers, is responsible for the licensing and regulation of MSBs. Administrative Examiner Tervenia Mitchiner, whose primary responsibilities concern money transmitters and sale of check licensees, and Applications Analyst Susan Nelson, whose primary responsibilities concern check cashing licensees, assist Joel with these MSB functions.

Joel's direct supervisor is now Director for Mortgage Licensing Melinda Kinard. Melinda's title has been changed to Director of Money Service Businesses and Mortgage Licensing. Rod Carnes' new title is Deputy Commissioner for Non-

Depository Financial
Institutions.

Other Changes:

With the above changes, Carol Webb, formerly Director of Corporate Affairs and Strategic Initiatives, is now Director of Communications and Planning, and this area of responsibility includes website responsibility, e-commerce initiatives, external publications, the emergency preparedness program, strategic and business planning coordination, and handling other initiatives of the Department. Senior Deputy Commissioner George Reynolds remains Carol's direct supervisor.

Other Divisions or Functions Effected:

Administrative Assistant Susan Brown is now Administrative Assistant to the Commissioner and Senior Deputy Commissioner, and she also provides secondary support to the Legal and Consumer Affairs Division (LCA).

With these changes, two positions (Supervisory Manager for Mortgage Licensing and Executive Assistant) have been eliminated. The duties of these two positions are being absorbed by existing personnel.

OUTSTANDING ORDERS: CEASE & DESIST VS CONSENT ORDERS & REVOCATIONS

There continues to be some confusion regarding the impact administrative actions have on licensees, and against those who are not licensed.

Licenses must check the Department's website to ensure their potential **employees** do not have an outstanding Cease & Desist or Consent Order issued by the Department, as well as determine if any broker or lender you conduct business with is not prevented from doing business in the state, be it by failure to obtain a license, or sanctions issued against the license, such as a revocation.

A major point of confusion hinges on the fact that the Department cannot issue a **revocation** against a company or person for doing mortgage business if they have been operating without the required license. Therefore, in order to sanction those individuals or companies, a **Cease and Desist Order (C&D)** is issued ("Cease this unlicensed activity".)

In addition to companies or independent individuals working in the industry who fail to get the required license, persons issued a C&D may also include employees of licenses who may have, for example, been paid on a 1099 basis or who may have been working for two companies at the same time. **Cease and Desist Orders** issued against any of the aforementioned entities prevent them from working in the industry in Georgia, by either obtaining their own license or working for a licensee, for a period of three years, commencing from the date the order became final.

By contrast, **licensees** against whom a **Cease and Desist**

Order has been issued are **usually** able to continue operating in the industry, as these orders are generally issued to effect changes in business practices **in lieu of license revocation**.

An exception to this general rule would be C&D issued for failure to meet financial standards for licensing. Failure to meet the standard results in **expiration** of a license if not corrected. Once final, the license is shown as "**Expired**", not "**Revoked**".

Often employees of licenses, or the companies themselves, are issued **Consent Orders**, similar in purpose to a Cease and Desist Order against a licensee. However, these have specific terms and conditions which must be met by the person receiving the Order, and often the terms may be such that a person **may not** work in the industry for a specified period of time, **may** work but may not hold specific positions, etc. Licensees should check for outstanding Orders on the web at:

<http://www.state.ga.us/dbf/cdororders.html>

Note in the screen below:

- **LICENSEE** with C&D - May or may not show **INACTIVE STATUS** - If no other action prevents them from working in the industry, then there is **NO INFORMATION** in the **INACTIVE STATUS** box.
- A **LICENSEE** whose license has been revoked will have that information noted under **INACTIVE STATUS** - note the **C&D** and **Revocation** on the screen.
- **NOT LICENSED** shows up next to those who were never licensed and issued a C&D. No notation under **INACTIVE STATUS** as they were/are **NOT LICENSED**.

*You need to be aware that if a prospective employee has an outstanding **Consent Order**, you should request a copy from the Department to determine the restrictions that are in place on that employee or potential employee regarding working in the industry in Georgia.*

LIC#	IDENTITY	ACTIONS	INACTIVE STATUS
12345	Atlanta, GA	Cease & Desist Order Final Date: 12/23/2004 Reason: 7-1-1004, 7-1-1013	
Not Licensed	Atlanta, GA	Cease & Desist Order Final Date: 6/21/2003 Reason: 7-1-1002	
12345	Atlanta, GA	Cease & Desist Order Final Date: 1/8/2004 Reason: 7-1-1003.2	Broker license REVOKED 04-07-2004
Not Licensed	Atlanta, GA	Cease & Desist Order Final Date: 6/8/2005 Reason: 7-1-1013(1)(2)(6)	
12345	Atlanta, GA	Cease & Desist Order Final Date: 6/30/2005 Reason: 7-1-1003.2	Broker license EXPIRED 06-30-2005
Not Licensed	Atlanta, GA	Consent Agreement Final Date: 9/8/2005 Reason: 7-1-1013	

Other Items

ON-LINE LICENSE RENEWALS: FY2007

As noted last month, the annual license renewal notices should be mailed out the first half of February, 2006.

ON-LINE ONLY!!

Hardcopy renewal application forms **WILL NOT** be mailed with the notice. All renewals will be made electronically via the on-line system. Should your computer access be limited, local libraries provide free access to the Internet. In the event you are absolutely unable to access the on-line renewal application, you should contact the Department.

HOW TO FILE

The on-line website is secure and requires a **USER ID** and **PASSWORD** for access. See table information below.

System access will be available on the Department's website **after** the renewal notices have been mailed. A **RENEWAL** link will also be available from the main mortgage forms page at http://www.ganet.org/dbf/mortgage_e_forms.html.

ALL licensees will be responsible for the following on-line:

- Updating detailed license information & correction of any errors in their specific information;
- Completing the Calendar Year 2005 operating information on the 2005 Reporting Schedules, and making fee and fine payments and attesting to the renewal information on-line.

The **Department**, after review of submitted information, will contact the licensee if any qualifying issues or unmet renewal requirements remain, such as an expired bond, outstanding unpaid judgments, or any pending administrative actions which require the provision of documentation to the Department. Notification of these requirements will be by e-mail or fax **only**.

Remember, such additional information required **must be** provided before the renewal can be approved; therefore it is important to provide correct e-mail or fax numbers. Applicants who have no qualifying conditions to their renewal should receive no further notice from the Department after completion

of the application until they receive their license.

To reiterate:

- **NO** hardcopy applications will be accepted.
- Payment must be made by ACH draft or credit card.
- Notification by e-mail or fax **ONLY** if there are outstanding issues

FINANCIAL REQUIREMENTS- SURETY BONDS or LOCs

Only SURETY BONDS or Letters of Credit (LOC) will qualify a licensee for the financial requirements for renewal. The original bond/LOC must be on file with the Department.

If you have been using your net worth / audited financial statements and have not submitted your bond or LOC to the Department, OR there has been a change in your existing bond requiring submission of a new bond or rider, those bond/riders must be submitted separately to complete your renewal.

ONLY Updated or changed surety bond/LOCs must be submitted, under separate

ON-LINE ACCESS: <https://bkgfin.dbf.state.ga.us/MortgageDocs/FY2007Renewal.html>

User ID	License Number
Password	SSN or EIN

cover, in order to complete a renewal. Those who have been using a surety bond or LOC that is still in place with no changes DO NOT need to submit a bond or rider with their renewal.

AUDITS may no longer be used to qualify for licensing, and a surety bond or qualifying letter of credit WILL BE REQUIRED for renewal!

DO NOT submit your audited financials to the department!

If your company is one of those still using an audit and the Department doesn't have your surety bond or irrevocable letter of credit in the appropriate amount (\$50,000 - Broker, \$150,000 - Lender) and on the Department's form prior to renewal, the license will not be renewed. Once the license or registration expires, the licensee or registrant may be required to file an application for REINSTATEMENT, a process that could take eight weeks or more to complete.

LATE FILINGS

Renewals are due by the close of business April 1, 2006. Renewals will continue on-line after April 1, 2006, but note that these are considered LATE renewals, and the late renewal fine of \$300 will be automatically added to your renewal fee. The fine, along with any other outstanding fine, must be

paid in order to renew your license.

OUTSTANDING ISSUES

All outstanding issues which exist or may arise prior to the license issue date (July 1, 2006), such as any new fines, fees, complaint issues, etc. arising after completing your renewal schedules on-line, must be resolved before your renewal license will be granted.

Licensees who do not resolve these issues in order to complete the renewal process by June 30, 2006 date will have their licenses expire, and will have to cease operations. Failure to properly RENEW a license will require a REINSTATEMENT of the license in order to conduct mortgage business.

CE's-BROKERS

Continuing Education requirements begin with the FY 2008 renewal, not FY2007. Credits must be earned 1-1-2006 to 3-31-2007 for the FY 2008 renewal.

QUESTIONS

You may contact the office at [Renewals](#) if you have any renewal questions. If for some reason you do not receive your renewal notice, the on-line system will allow you to apply for renewal if you are the appropriate person with the proper user ID and access code.



**\$6.50" PER LOAN"
FEE DUE**

\$6.50 "per loan" fees for the second half of 2005 (July 1 through December 31, 2005) are now due. Payments must be received by the due date of March 1, 2006. Failure to pay fees owed by the due date can result in a fine of \$1,000.

Please make these payments via ACH or credit card on line at the following web-site:

<https://bkgfin.dbf.state.ga.us/GRMAFee.html>

Should you decide to pay by check, please complete the form on-line, print a copy and send it in with your check payment.

And...Another Word About NET BRANCHES

The Department does not allow entities licensed under the Georgia Residential Mortgage Act to operate net branches in Georgia. However, the Department recognizes that many licensees operate in multiple states and that some other states **do** allow net branches. Consequently, simply because a licensee's web site promotes a branching scheme that is not legal in Georgia, the Department does not take that to necessarily mean the licensee is operating an illegal net branch or net branches in Georgia. However, those licensees found to be operating net branches in Georgia typically are fined and administrative actions taken against the licensee and any branch manager involved.

Administrative Actions and Issues

CEASE AND DESIST ORDERS – Issued

- ▶ **Collier, Milton dba National Association of Investors and Mortgage Co., Atlanta, GA** – Cease and Desist Order issued October 31, 2005 became final on December 1, 2005.
- ▶ **Franklin Mortgage Corporation, Stone Mountain, GA (license no. 19570)** – Cease and Desist Order issued December 8, 2005 became final on December 29, 2005.
- ▶ **Omni Financial Services, Inc., Hoffman Estates, IL (license no. 13196)** – Cease and Desist Order issued December 9, 2005 became final on December 29, 2005.
- ▶ **Prime Capital Group, LLC, Atlanta, GA (license no. 19951)** – Cease and Desist Order issued November 21, 2005 became final on December 26, 2005.

CEASE AND DESIST ORDERS – Lifted

- ▶ None

FINAL CONSENT ORDERS – Issued

- ▶ **Nichols, Aisha Hobbs, Lithonia, GA** – Consent Order issued December 13, 2005 became final on December 13 2005.
- ▶ **Robinson, Tanya, College Park, GA** – Consent Order issued December 1, 2005 became final on December 1, 2005.

SUPERIOR COURT INJUNCTIONS

- ▶ **Bates, Vickee, Woodstock, GA** - Consent Order issued December 5, 2005 became final on December 5, 2005.

FINE PUBLICATION

Information regarding fines assessed against a specific licensee and against whom there are no pending administrative actions, is available on an individual licensee basis by submitting a written request to the following e-mail address: dbfmort@dbf.state.ga.us

FINE REASON	
3 Licensees fined for Advertising Violations	4 Licensees fined for Loan files not properly maintained
5 Licensees fined for Background Check Violations	7 Licensees fined for Prohibited Act
5 Licensees fined for Books & Records	1 Licensee fined for Relocation of office w/o notice
1 Licensee fined for Unapproved Branch	2 Licensees fined for doing business w/ unlicensed entity
1 Licensee fined for Unapproved Branch Manager	2 Licensees fined for Miscellaneous/Other

LICENSEES/REGISTRANTS APPROVED OR REINSTATED IN DECEMBER 2005

ID#	COMPANY NAME	CITY	ST	MB CODE	ORIGINAL APPROVAL	RENEWAL	REINSTATED
20849	Distinctive Mortgage, Inc.	Pembroke Pines	FL	B	12-02-2005	12-02-2005	
20882	Envision Lending Group, Inc.	Salt Lake City	UT	B	12-02-2005	12-02-2005	
20916	Popular Mortgage Servicing, Inc.	Cherry Hill	NJ	R	12-02-2005	12-02-2005	
20917	Popular Housing Services, Inc.	Jacksonville	FL	R	12-02-2005	12-02-2005	
20927	Vera E. Holliday	Stone Mountain	GA	B	12-02-2005	12-02-2005	
20928	Green Grass Mortgage, LLC	Lilburn	GA	B	12-02-2005	12-02-2005	
20871	HomeKey Lending, Inc.	Suwanee	GA	B	12-09-2005	12-09-2005	
20937	Derek Justin Pilkington	Atlanta	GA	B	12-09-2005	12-09-2005	
20941	Chesapeake Capital Mtg Corporation	Pasadena	MD	B	12-09-2005	12-09-2005	
20976	Seaboard Lending Group, LLC	Pompano Beach	FL	L	12-09-2005	12-09-2005	
20977	MD Mortgage Corporation	Reisterstown	MD	B	12-09-2005	12-09-2005	
20979	Hometown Mortgage USA, Inc.	Woodstock	GA	B	12-09-2005	12-09-2005	
20980	Allstate Mtg & Loan Corporation	Clearwater	FL	L	12-09-2005	12-09-2005	
7268	Ameron Mortgage Corporation	Marietta	GA	B	08-04-1995	12-16-2005	
17727	Merit Financial, Inc.	Kirkland	WA	B	01-03-2003	12-16-2005	
20229	Northland Finance & Lending, LLC *	Hiawassee	GA	L	04-01-2005	12-16-2005	
20364	United Pacific Realty and Invst, Inc. *	Lake Forest	CA	L	07-15-2005	12-16-2005	
20681	Franklin Credit Mgmt Corp +	New York	NY	L	12-16-2005	12-16-2005	
20902	Blue Marble Lending, Inc.	Tampa	FL	B	12-16-2005	12-16-2005	
20929	America's Lending Leader, LLC	Smyrna	GA	B	12-16-2005	12-16-2005	
20932	John J. Jorgensen	Atlanta	GA	B	12-16-2005	12-16-2005	
20945	Hughs Mortgage Resources, Inc.	Gainesville	GA	B	12-16-2005	12-16-2005	
20960	MTS Financial, LLC	Villa Rica	GA	B	12-16-2005	12-16-2005	
20986	Harmony Mortgage Finance Corp.	Jonesboro	GA	B	12-16-2005	12-16-2005	
20995	Home Mortgage Financial Corp. +	Marietta	GA	L	12-16-2005	12-16-2005	
21012	Harold Avan Lawson	Lithonia	GA	B	12-16-2005	12-16-2005	
21023	Ridgeland Mortgage Services, LLC	Marietta	GA	B	12-16-2005	12-16-2005	
20883	Century Pacific Mtg Corporation	Norcross	GA	L	12-23-2005	12-23-2005	
20964	Intergroup, Inc.	Canton	GA	L	12-23-2005	12-23-2005	

LICENSEES/REGISTRANTS APPROVED OR REINSTATED IN DECEMBER 2005

ID#	COMPANY NAME	CITY	ST	MB CODE	ORIGINAL APPROVAL	RENEWAL	REINSTATED
20969	Nextlevel Financial, LLC	Acworth	GA	B	12-23-2005	12-23-2005	
20970	BPSC, LLC	Decatur	GA	B	12-23-2005	12-23-2005	
20985	AlliedState Mortgage, LLC	Snellville	GA	B	12-23-2005	12-23-2005	
20990	Mandalay Mortgage, LLC	Woodland Hills	CA	L	12-23-2005	12-23-2005	
20996	Pacific Residential, Inc.	Corona	CA	L	12-23-2005	12-23-2005	
20997	CBO Financial Mortgages, LLC	Canton	GA	B	12-23-2005	12-23-2005	
21001	Guaranteed Finl Svcs Corp	Duluth	GA	B	12-23-2005	12-23-2005	
21009	Island Time Properties, LLC	Gainesville	GA	B	12-23-2005	12-23-2005	
20971	Century Finl Svcs, LLC (SC)	Lexington	SC	B	12-30-2005	12-30-2005	
20991	United Mortgage Corp. (NY)	Hauppauge	NY	L	12-30-2005	12-30-2005	
21011	Interstate Mortgage Network, Inc.	Laguna Hills	CA	L	12-30-2005	12-30-2005	
14389	Homeowners Mtg of America, Inc.	Marietta	GA	L	02-26-1999	12-09-2005	12-09-2005
16602	Liberty Mortgage, Inc	Jacksonville	FL	B	08-10-2001	12-09-2005	12-09-2005
19789	Acceptance Capital MtgCorporation	Spokane Valley	WA	B	11-19-2004	12-09-2005	12-09-2005
20131	Direct Mortgage Of SC., Inc.	Charleston	SC	L	02-11-2005	12-09-2005	12-09-2005
11808	AMERA Mortgage Corporation	FARMINGTON HILLS	MI	L	10-01-1996	12-23-2005	12-23-2005
12794	Riviera Mortgage, LLC	ATLANTA	GA	B	08-29-1997	12-23-2005	12-23-2005
12681	Homes 4 U, Inc.	Jonesboro	GA	B	08-08-1997	12-30-2005	12-30-2005
19152	Specialized Loan Servicing, LLC	Highlands Ranch	CO	L	06-25-2004	12-30-2005	12-30-2005

TOTAL: 48

**LICENSEES/REGISTRANTS REVOKED, EXPIRED, SURRENDERED, WITHDRAWN OR DENIED
IN DECEMBER 2005**

ID#	NAME	CODE	REVOKED	EXPIRED	SURRENDERED	WITHDRAWN	DENIED
6054	CUNA MUTUAL MTG CORP	LD				12-30-2005	
6901	MIDLAND MTG CO	LD				12-07-2005	
12005	AMER MONEYLINE INC	LD				12-30-2005	
12109	GA STATE MTG INC	BD	12-12-2005				
12266	GEORGETOWN MTG INC	LD				12-15-2005	
13196	OMNI FUNDING GRP	BD		12-29-2005			
15175	SEA BREEZE FINL SVCS INC	LD				12-05-2005	
16144	RODNEY SMITH INC	BD				12-30-2005	
16153	CREATIVE MTG CONCEPTS LLC	BD				12-30-2005	
16597	UNIMTG LLC	LD				12-07-2005	
17063	AMER MTG NETWORK INC	LD				12-21-2005	
17275	WATERMARK FINL PARTNERS	LD				12-05-2005	
18508	KB HM MTG CO	LD				12-05-2005	
18538	FIVE STAR FUNDING INC	BD				12-20-2005	

**LICENSEES/REGISTRANTS REVOKED, EXPIRED, SURRENDERED, WITHDRAWN OR DENIED
IN DECEMBER 2005**

ID#	NAME	CODE	REVOKED	EXPIRED	SURRENDERED	WITHDRAWN	DENIED
18548	BELL, MICHAEL	BD	12-15-2005				
18607	IBEX NETWORKS INC	LD				12-30-2005	
19555	WOODMEN MTG SVCS INC	LD				12-30-2005	
19751	ACS MTG INC	BD				12-07-2005	
19951	PRIME CAP GRP LLC	LD		12-26-2005			

TOTAL: 19

2006 State Holidays:

The following is a list of State Holidays when the Capitol and all State agencies will be closed in 2006.

HOLIDAY	DATE	OBSERVANCE
New Year's Day	Sunday, January 1	will be observed Monday, January 2
Martin Luther King Jr. Day	Sunday January 15	will be observed Monday, January 16
Confederate Memorial Day	Wednesday, April 26	will be observed on Monday, April 24
Memorial Day	Monday, May 29	
Independence Day	Tuesday, July 4	
Labor Day	Monday, September 4	
Columbus Day	Monday, October 9	
Veterans' Day	Saturday, November 11	will be observed on Friday, November 10
Thanksgiving Day	Thursday, November 23	
Robert E. Lee's Birthday	Thursday, January 19	will be observed on Friday, November 24
Christmas Day	Monday, December 25	
Washington's Birthday	Wednesday, February 22	will be observed on Tuesday, December 26