



**Georgia Department
of Banking & Finance**

**NON-DEPOSITORY
FINANCIAL
INSTITUTIONS**

Monthly Summary of Mortgage Activities For the Period Ending May 2006

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Mortgage Fraud In Georgia Declines

According to the latest figures released by the Mortgage Asset Research Institute, Inc., ("MARI") in its April 2006 report, mortgage fraud in Georgia is on the decline. Georgia has dropped from first to third in the nation in terms of mortgage fraud and recorded the largest decrease in the MARI Fraud Index during 2005, which indicates the amount of mortgage fraud reported in each state. The report indicates the decline may be due to passage of aggressive legislation and the enforcement by Georgia officials.

"While we are not happy that Georgia remains a state with a significant amount of mortgage fraud, we are definitely pleased and encouraged that this report reflects the progress that is being made to combat the problem in Georgia," stated Commissioner Rob Braswell. "I think the dramatic reduction in mortgage fraud in Georgia in 2005 is due to very aggressive efforts by many parties, including this Department, the Office

of the Attorney General, law enforcement and prosecutors on local, state and federal levels, specific lenders in the industry, and the Georgia Real Estate Fraud Prevention & Awareness Coalition. It has definitely been a coordinated effort, which is what it takes to adequately address such a widespread problem."

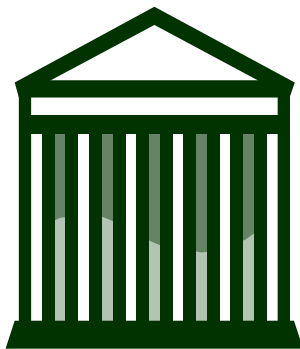
The Department currently supervises approximately 3,400 non-depository mortgage lenders, brokers, and processors. In 2003, due to the volume of mortgage fraud in the state of Georgia, the Department instituted a risk-based examination program, which primarily focuses on investigating reported fraudulent activity. Since the implementation of the risk-based examination program, the volume of administrative actions and referrals to law enforcement agencies have increased greatly. In 2005, 64 Cease and Desist Orders, 29 Consent Orders and 6 Revocation Orders became final. In addition, the Department made mortgage fraud referrals to law enforcement agencies totaling more than \$77 million.

Press Releases

**REVOCATION OF THE
LICENSE OF ATLANTIC
FINANCIAL MORTGAGE,
INC. BECOMES FINAL
MAY 9, 2006**

On May 9, 2006, the Georgia Department of Banking and Finance's ("Department's") decision to revoke the mortgage broker's license of Atlantic Financial Mortgage, Inc., license number 18854, located at 3598 Clairmont Road, Atlanta, Georgia 30319 became final.

This notice of intent to revoke license was issued by the Department after it obtained evidence that Atlantic Financial Mortgage purposefully withheld or destroyed information that was requested during an examination and failed to properly maintain a mortgage loan transaction journal.



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Suite 200
Atlanta, GA 30341
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**REVOCATION OF THE
LICENSE OF INTOWN
FINANCING, INC. & CEASE
AND DESIST ORDER TO
SONIA BOOKER DANIELS
FINAL
MAY 15, 2006**

On May 15, 2006, the Georgia Department of Banking and Finance's decision to revoke the mortgage broker's license of Intown Financing, Inc., license number 17325, located at 200 Renaissance Parkway, Suite 303, Atlanta, Georgia 30308 became final, as did the cease and desist order previously issued to its owner, Sonia Booker-Daniels.

These actions were upheld by the Office of State Administrative Hearings, which found that evidence existed showing that Intown Financing, Inc. and Ms. Booker-Daniels made misrepresentations in loan files submitted to mortgage lenders.

Net Branching

Unfortunately, it bears repeating that, unlike some states, Georgia does not allow for net branches.

When an existing licensee offers to allow another company or individual to use the licensee's name, license number, policies or procedures for a monthly operating fee or charge, without having that company being supervised by, or submitting

expenses, loan applications, documentation or other operating results to the licensee, this is generally evidence of net-branching.

The following factors are used to determine if a branch is a net-branch:

- ◆ The lessee or owner of the property is not the licensee;
- ◆ Employees are not supervised and compensated by the licensee, and are often paid on a 1099 basis;
- ◆ Expenses of the branch are paid for by the branch and not accounted for on the books of the licensee—or a fee is charged to the branch by the licensee which basically covers all of the branch's expenses paid for by the licensee; or
- ◆ A licensed lender does not fund the loans made by its branch.

**FY 2007
LICENSE DISTRIBUTION REMINDER**

NEW LICENSES FOR THE YEAR WILL BE MAILED OUT BEGINNING MID TO LATE JUNE 2006.

IF YOU DO NOT RECEIVE YOUR NEW LICENSE BY THE FIRST WEEK OF JULY, PLEASE CONTACT THE OFFICE.

The renewal website
[https://
bkgfin.dbf.state.ga.us/
MortgageDocs/
FY2007Renewal.html](https://bkgfin.dbf.state.ga.us/MortgageDocs/FY2007Renewal.html)

Predatory Lending

HUD is proposing changes to its regulations governing Fannie Mae and Freddie Mac (collectively, the government sponsored enterprises or GSEs) to reinforce the efforts of HUD and the GSEs to prevent predatory lending practices. The changes proposed by this rule would allow HUD to keep up-to-date with and combat new predatory lending practices as they are discovered and, therefore, strengthen HUD's oversight role in monitoring GSE practices to ensure that the loans the GSEs purchase are not contrary to responsible lending practices. The proposal can be found under the 6-7-2006 New Documents, Secretary of HUD's Regulation at:

<http://hudclips.org/>

DATES: Comment Due Date: August 7, 2006.

ADDRESSES: Interested persons are invited to submit comments regarding this rule to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 10276, Washington, DC 20410-0500. Interested persons also may submit comments electronically through the Federal e Rulemaking Portal at:

<http://www.regulations.gov>

**UPCOMING
SPEAKING
ENGAGEMENTS**

Deputy Commissioner for NDFI Rod Carnes and Director of Money Service Businesses and Mortgage Licensing Melinda Kinard will be speaking to the following organization:

- ◆ *GAMB-Georgia Association of Mortgage Brokers, Thursday, June 15, 2006, 9:00 a.m. Cobb Galleria*



Useful Links

MORTGAGE FORMS: CODE, REGULATIONS & APPLICATIONS
[HTTP://WWW.STATE.GA.US/MORTGAGE_FORMS.HTML](http://www.state.ga.us/MORTGAGE_FORMS.HTML)

UPDATING LICENSE INFORMATION
[HTTP://WWW.STATE.GA.US/DBF/MORTGAGE_FORMS.HTML#ONLINE](http://www.state.ga.us/DBF/MORTGAGE_FORMS.HTML#ONLINE)

PRESS RELEASES
[HTTP://WWW.GANET.ORG/DBF/BULLETINS.HTML](http://www.ganet.org/DBF/BULLETINS.HTML)

Governor Sonny Perdue has launched a campaign to put new emphasis on customer service, emphasizing **easier** access to government services, **faster** processes so customers can get business done quickly, and **friendlier** service in a customer-focused, goal-oriented culture. It is the Department's goal to provide excellent customer service, 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:

* **Larry Shelley, Supervisory Manager – Mortgage:**

Larry received a thank you letter with comments such as *"Thank you very much for going the extra mile..."* and *"We really appreciate your diligence in getting information that allowed you to honor our request instead of just saying 'no'."*

* **Deborah Long, Assistant Review Examiner:**

Deborah received a thank you note with comments such as *"How very nice it was of you to help me out with the information and to help me understand certain information..."* and *"Thank you for your time and consideration, your help was greatly appreciated."*

* **Melinda Kinard, Director of Money Service Businesses and Mortgage Licensing:**

Melinda received an e-mail from a licensee saying *"Thanks for taking care of that like you said you would! Every time I call your department, I get nice people that truly help, thanks so much!"*

* **Janet Anderson, Senior Mortgage Review Examiner:**

Janet received a thank-you card for her efforts to assist an applicant through some pending matters concerning the application, saying *"Great Appreciation"*.

The following, while not individual recognition, is noted to commend the Non-Depository Financial Institutions Division and the IT staff for the online license renewal process for mortgage licensees and registrants. Automation of formerly paper-based systems has greatly improved the process and a renewal applicant is able to review online the status of his/her application. We received several comments regarding the on-line renewal process such as:

"Thank you for simplifying the process for us! I had no problem whatsoever."

and

"The online renewal process is great!"

CONGRATULATIONS AND GREAT JOB!!

FASTER. FRIENDLIER. EASIER.



CEASE AND DESIST ORDERS—ISSUED

- ◆ **Anderson-Torres, Nuri N., Atlanta, GA (license no. 18838)** – Cease and Desist Order issued April 13, 2006 became final on May 12, 2006.
- ◆ **Daniels, Sonia Booker, Atlanta, GA** – Cease and Desist Order issued January 4, 2005 became final on May 15, 2006.
- ◆ **Fast Funding Mortgage, LLC, Tarzana, CA** – Cease and Desist Order issued April 27, 2006 became final on May 28, 2006.
- ◆ **Fennell, Ronald V., Athens, GA (license no. 20376)** – Cease and Desist Order issued April 13, 2006 became final on May 12, 2006.
- ◆ **Graham, Toni S., Stone Mountain, GA** – Cease and Desist Order issued April 6, 2006 became final on May 7, 2006.
- ◆ **Jeffcoat, Tammy Lorraine, Cartersville, GA (license no. 20085)** – Cease and Desist Order issued April 13, 2006 became final on May 12, 2006.
- ◆ **Knox, Derrick Anthony, Stone Mountain, GA (license no. 19306)** – Cease and Desist Order issued May 1, 2006 became final on May 28, 2006.
- ◆ **Krug, Michael T., Stockbridge, GA (license no. 14013)** – Cease and Desist Order issued April 13, 2006 became final on May 12, 2006.
- ◆ **Loach (Beaty), Mindy, Ringgold, GA** – Cease and Desist Order issued April 13, 2006 became final on May 14, 2006.
- ◆ **Mainstream Mortgage, Inc., Tucker, GA (license no. 6897)** – Cease and Desist issued April 26, 2006 became final on May 27, 2006.
- ◆ **McGarvey, John Randolph, Duluth, GA (license no. 19267)** – Cease and Desist issued April 13, 2006 became final on May 12, 2006.
- ◆ **Nguyen, Tich Van, Atlanta, GA** – Cease and Desist issued April 14, 2006 became final on May 5, 2006.

CEASE AND DESIST ORDERS—ISSUED (Continued)

- ◆ **Premium Mortgage Group, Inc., Savannah, GA (license no. 20321)** – Cease and Desist issued April 27, 2006 became final on May 27, 2006.
- ◆ **True Mortgage Corp., Alpharetta, GA (license no. 18616)** – Cease and Desist issued April 11, 2006 became final on May 11, 2006.
- ◆ **Turner, Jerry L., Duluth, GA (license no. 15723)** - Cease and Desist issued April 13, 2006 became final on May 12, 2006

CEASE AND DESIST ORDERS—LIFTED

- ◆ None

FINAL CONSENT ORDERS—ISSUED

- ◆ None

SUPERIOR COURT INJUNCTIONS

- ◆ None

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

4 Licensees fined for Advertising Violations
3 Licensees fined for Background Checks
6 Licensees fined for Books & Records
1 Licensee fined for Employment of a Felon
1 Licensee fined for GaFLA

5 Licensees fined for Loans Files not properly maintained
3 Licensees fined for Prohibited Acts
1 Licensee fined for Renewal filed late
1 Licensee fined for Doing business w/ unlicensed entity
1 Licensee fined for Miscellaneous/Other

LICENSEES/REGISTRANTS REVOKED, EXPIRED, SURRENDERED, WITHDRAWN OR DENIED In May 2006

| ID# | NAME | CODE | REVOKED | EXPIRED | SURRENDERED | WITHDRAWN | DENIED |
|-------|---------------------------|------|-----------|------------|-------------|------------|--------|
| 6897 | MAINSTREAM MTG INC | BD | | 05-27-2006 | | | |
| 6978 | MILTON MTG SVCS INC | BD | | | | 05-02-2006 | |
| 12747 | ACCREDITED MTG & FUNDING | BD | | | | 05-15-2006 | |
| 14013 | KRUG, MICHAEL T | BD | | 05-12-2006 | | | |
| 14396 | AMERICAP MTG CORP | BD | | | | 05-04-2006 | |
| 15014 | IVANHOE FINL INC | LD | | | | 05-22-2006 | |
| 15182 | MTG 4U GA INC | LD | | | | 05-17-2006 | |
| 15465 | AMER FINL NETWORK INC | LD | | | | 05-03-2006 | |
| 15723 | TURNER, JERRY L | BD | | 05-12-2006 | | | |
| 17325 | INTOWN FINANCING, INC. | BD | 5-15-2006 | | | | |
| 18616 | TRUE MTG CORP | BD | | 05-11-2006 | | | |
| 18824 | IMAGINE MTG SOLUTIONS LLC | BD | | | | 05-15-2006 | |
| 18828 | ACOUSTIC HM LOANS LLC | LD | | | | 05-03-2006 | |

**LICENSEES/REGISTRANTS REVOKED, EXPIRED, SURRENDERED, WITHDRAWN OR DENIED
In May 2006**

| ID# | NAME | CODE | REVOKED | EXPIRED | SURRENDERED | WITHDRAWN | DE-NIED |
|-------|--------------------------|------|------------|------------|-------------|------------|---------|
| 18838 | ANDERSON-TORRES, NURI N | BD | | 05-12-2006 | | | |
| 18854 | ATLANTIC FINL MTG INC | BD | 05-09-2006 | | | | |
| 19156 | PAINLESS PROCESSING INC | PD | | | | 05-22-2006 | |
| 19267 | MCGARVEY, JOHN RANDOLPH | BD | | 05-12-2006 | | | |
| 19306 | KNOX, DERRICK ANTHONY | BD | | 05-28-2006 | | | |
| 19568 | STATEWIDE FUNDING INC | BD | | | | 05-30-2006 | |
| 20085 | JEFFCOAT, TAMMY LORRAINE | BD | | 05-12-2006 | | | |
| 20321 | PREMIUM MTG GRP INC | BD | | 05-27-2006 | | | |
| 20376 | FENNELL, RONALD VINCE | BD | | 05-12-2006 | | | |
| 20461 | AA LENDING CORP | BD | | | | 05-02-2006 | |
| 20640 | FAST TRACK FUNDING CORP | BD | | | | 05-17-2006 | |
| 20978 | ALLIANCE CAP MTG CORP | BD | | | | 05-17-2006 | |
| 21179 | SOUTHERN LENDERS INC | BD | | | | 05-15-2006 | |
| 21207 | SE GA EQUITY INC | BD | | | | 05-15-2006 | |
| 21281 | MTG SOURCE GA INC | BD | | | | 05-15-2006 | |

TOTAL: 28

LICENSEES/REGISTRANTS APPROVED OR REINSTATED IN MAY 2006

| ID# | COMPANY NAME | CITY | ST | MB CODE | ORIGINAL APPROVAL | RENEWAL | REINSTATED |
|-------|--|-----------------|----|---------|-------------------|------------|------------|
| 21299 | Kingdom Lending, LLC | Covington | GA | L | 05-05-2006 | 05-05-2006 | |
| 21320 | Investors Lending Group, Inc. | Melbourne Beach | FL | B | 05-05-2006 | 05-05-2006 | |
| 21360 | Northgate Real Estate & Development | Roswell | GA | B | 05-05-2006 | 05-05-2006 | |
| 21392 | Premier First Financial, LLC | College Park | GA | B | 05-05-2006 | 05-05-2006 | |
| 21398 | Legacy Financial Corporation | Rockville | MD | L | 05-05-2006 | 05-05-2006 | |
| 21407 | Real Financial, LLC | Southfield | MI | B | 05-05-2006 | 05-05-2006 | |
| 21413 | Nickel City Funding, Inc. | Orchard Park | NY | B | 05-05-2006 | 05-05-2006 | |
| 21420 | Today's Mortgages, LLC | Cumming | GA | B | 05-05-2006 | 05-05-2006 | |
| 21443 | The Milan Group, Inc. | Doral | FL | L | 05-05-2006 | 05-05-2006 | |
| 13697 | Money Source, Inc. + | Marietta | GA | B | 07-10-1998 | 05-12-2006 | |
| 16400 | Sunrise Financial, Inc. + | Chicago | IL | B | 05-11-2001 | 05-12-2006 | |
| 18158 | Dunwoody Mortgage Services, LLC * | Suwanee | GA | L | 03-07-2003 | 05-12-2006 | |
| 21274 | PRN Revitalization, Inc. | Augusta | GA | B | 05-12-2006 | 05-12-2006 | |
| 21277 | Nations Mortgage Capital, Inc. | Biloxi | MS | B | 05-12-2006 | 05-12-2006 | |
| 21371 | Simons & Leoni Home Loans, LLC | Tampa | FL | L | 05-12-2006 | 05-12-2006 | |
| 21387 | Metro One Mortgage Corp. | Lauderhill | FL | B | 05-12-2006 | 05-12-2006 | |
| 21406 | BH Mortgage Partners, LLC | Suwanee | GA | B | 05-12-2006 | 05-12-2006 | |
| 21419 | Acworth Mortgage and Billing, LLC | Kennesaw | GA | B | 05-12-2006 | 05-12-2006 | |
| 21421 | First Equity Financial Corporation | Parsippany | NJ | L | 05-12-2006 | 05-12-2006 | |
| 21427 | ABC Mortgage Funding, Inc. | Hudson | FL | L | 05-12-2006 | 05-12-2006 | |
| 21452 | Meca Financial Group, Inc. | Tucker | GA | B | 05-12-2006 | 05-12-2006 | |
| 21474 | Dunhill Mtgs and Leasing Svc, LLC | Lawrenceville | GA | B | 05-12-2006 | 05-12-2006 | |
| 21490 | Options Mortgage Services, LLC | Buford | GA | B | 05-12-2006 | 05-12-2006 | |
| 21491 | Martin Sidney Riggle | Acworth | GA | B | 05-12-2006 | 05-12-2006 | |
| 20674 | Your Mortgage Source, LLC * | Alpharetta | GA | L | 09-16-2005 | 05-19-2006 | |
| 21388 | Sams Mortgage Solutions, Inc. | Davie | FL | B | 05-19-2006 | 05-19-2006 | |
| 21393 | Equity Leadership Mortgage Group, Inc. | Centennial | CO | B | 05-19-2006 | 05-19-2006 | |
| 21409 | J C Mortgage Group, LLC | Buford | GA | B | 05-19-2006 | 05-19-2006 | |
| 21410 | Empyrean Mortgage, LLC | Ellijay | GA | B | 05-19-2006 | 05-19-2006 | |
| 21414 | First Coast Mortgage, LLC | Jacksonville | FL | B | 05-19-2006 | 05-19-2006 | |
| 21433 | Samuel H. Barbre | Summerville | GA | B | 05-19-2006 | 05-19-2006 | |
| 21450 | Lending 1st Mortgage (Inc.) | Anaheim | CA | L | 05-19-2006 | 05-19-2006 | |
| 21457 | Timothy Alfred Roberts | Kennesaw | GA | B | 05-19-2006 | 05-19-2006 | |
| 21461 | Jay C. Agan, Inc. | Atlanta | GA | B | 05-19-2006 | 05-19-2006 | |

LICENSEES/REGISTRANTS APPROVED OR REINSTATED IN MAY 2006

| ID# | COMPANY NAME | CITY | ST | MB CODE | ORIGINAL APPROVAL | RE-NEWAL | REINSTATED |
|-------|--|---------------|----|---------|-------------------|------------|------------|
| 21466 | A and E Foundation, LLC | Issaquah | WA | B | 05-19-2006 | 05-19-2006 | |
| 21467 | Option One Lending Solutions, Inc. | Norcross | GA | B | 05-19-2006 | 05-19-2006 | |
| 21489 | All Capital Mortgage Funding, Inc. | Hialeah | FL | B | 05-19-2006 | 05-19-2006 | |
| 21492 | BCE Financial Corporation | Atlanta | GA | B | 05-19-2006 | 05-19-2006 | |
| 21510 | Allied Mortgage Group, Inc. | Bala Cynwyd | PA | L | 05-19-2006 | 05-19-2006 | |
| 14840 | Apex Lending, Inc. * | Indian Shores | FL | L | 09-10-1999 | 05-26-2006 | |
| 20482 | First Fidelity Centers, Inc. + | Tarzana | CA | B | 06-17-2005 | 05-26-2006 | |
| 21375 | Charles Edward Tolliver, Sr. | Atlanta | GA | B | 05-26-2006 | 05-26-2006 | |
| 21445 | M H & R Financial Services, Inc. | Atlanta | GA | B | 05-26-2006 | 05-26-2006 | |
| 21447 | Timothy Jay Anthony | Kennesaw | GA | B | 05-26-2006 | 05-26-2006 | |
| 21470 | Lisa Kalein McDaniel | Marietta | GA | B | 05-26-2006 | 05-26-2006 | |
| 21497 | American Titan Mortgage, LLC | Hiram | GA | B | 05-26-2006 | 05-26-2006 | |
| 21515 | New Horizon Home Loans, LLC | Sugar Hill | GA | B | 05-26-2006 | 05-26-2006 | |
| 21516 | Mortgage Sources Corp. (Kansas) | Overland Park | KS | B | 05-26-2006 | 05-26-2006 | |
| 21518 | eMit Mortgage, Inc. | Duluth | GA | B | 05-26-2006 | 05-26-2006 | |
| 19134 | Financial Resources and Assistance of the Lakes Region, Inc. | Meredith | NH | B | 04-02-2004 | 05-05-2006 | 05-05-2006 |
| 20445 | The Loan Page, Inc. | Kirkland | WA | B | 09-23-2005 | 05-05-2006 | 05-05-2006 |
| 18022 | N B Mortgage, Inc. | Jonesboro | GA | B | 01-10-2003 | 05-26-2006 | 05-26-2006 |

TOTAL: 52

MB CODES

B = BROKER

L = LENDER

R = REGISTRANT

| | |
|---|--------------------------------|
| * | Upgrade Broker to Lender |
| + | Downgrade Lender to Broker |
| # | Upgrade Lender to Registrant |
| • | Downgrade Registrant to Lender |

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