

2. Mortgage Systems, Inc., Las Vegas, NV

Action: Proposed Settlement Agreement to be concluded within 60 days that includes payment of a civil money penalty in the amount of \$15,000; indemnification to the Department for any claim losses on eight improperly originated loans; corrective action to assure compliance with HUD-FHA requirements; and transfer of the company to new ownership: if a Settlement Agreement is not concluded within the 60-day period, the HUD-FHA mortgagee approval shall be withdrawn and a civil money penalty in the amount of \$75,000 proposed.

Cause: A HUD monitoring review that disclosed violations of HUD-FHA requirements that included: failure to comply with conditions of probation previously imposed by the Board; failure to implement an adequate Quality Control Plan; failure to timely remit OTMIPs; failure to submit closed loans for endorsement within 60 days after loan closing; failure to meet annual recertification requirements regarding amount of liquid assets; submission of alleged false information; failure to document the borrower's source of funds for downpayment and closing costs; failure to correctly calculate the borrower's income for loan approval; failure to ensure that the borrower made the minimum required investment; use of mortgage brokers to originate loans and payment of "kickbacks" to such brokers; non-compliance with HUD's conflict-of-interest prohibited payments provisions; failure to conduct face-to-face interviews; and allowing loan correspondents to close loans improperly.

3. G&R Financial Group, Plantation, FL

Action: Withdrawal of HUD-FHA approval.

Cause: Failure by the president of the company to comply with the terms and conditions of a Settlement Agreement with the Department, including reimbursement for claim losses of \$181,521 incurred in connection with improperly originated HUD-FHA insured mortgages.

4. Hallmark Government Mortgage, Inc., Bellevue, WA

Action: Settlement Agreement that includes corrective action to assure compliance with HUD-FHA requirements.

Cause: HUD monitoring review that disclosed failure to maintain an adequate Quality Control Plan for the origination of HUD-FHA insured mortgages, and noncompliance with the

Department's reporting requirements under the Home Mortgage Disclosure Act (HMDA).

5. Washington Capital Associates, Inc., Arlington, VA

Action: Review by Mortgagee Review Board with conclusion that no administrative action is warranted.

Cause: A HUD Office of Inspector General Audit Report citing underwriting deficiencies, and noncompliance with the Department's requirements concerning the review of insured multifamily project financial statements and monitoring of capital expenditures.

6. Neighborhood Acceptance Corporation, Costa Mesa, CA

Action: Probation and proposed civil money penalty in the amount of \$5,000.

Cause: A HUD monitoring review that disclosed violations of HUD-FHA Title I property improvement program requirements that included: establishing a minimum loan amount; permitting loan brokers to participate in the origination of Title I loans; originating Title I loans in locations where the company was not approved by HUD-FHA to do Title I business; and approving a loan after improvements had been started.

7. Utah Mortgage Loan Corporation, Salt Lake City, UT

Action: Proposed Settlement Agreement which includes the payment of a civil money penalty in the amount of \$3,000, indemnification to the Department for any claim loss on one improperly originated loan, and corrective action to assure compliance with HUD-FHA requirements.

Cause: A HUD monitoring review that cited violations of HUD-FHA requirements that included: failure to comply with the Department's reporting requirements under the Home Mortgage Disclosure Act (HMDA); failure to maintain an adequate Quality Control Plan; failure to maintain a fidelity bond and errors and omissions coverage; and improperly originating a HUD-FHA insured mortgage.

8. Home Owners Funding Corporation of America, Dallas, TX

Action: Proposed Settlement Agreement that includes: payment of a civil money penalty in the amount of \$10,000; indemnification to the Department for any claim losses in connection with 14 improperly originated Title I loans; and corrective action to assure compliance with HUD-FHA requirements.

Cause: A HUD monitoring review that disclosed violations of HUD-FHA Title I manufactured home loan program requirements which included: failure to report dealers to HUD-FHA for misstatements of facts on placement certificates; funding loans knowing that placement certificates contained false certifications; failure to determine borrowers' source of funds for downpayment; funding loans prior to dealer approval; failure to comply with dealer approval requirements; failure to comply with requirements for reporting loans for insurance; and failure to comply with the Department's reporting requirements under the Home Mortgage Disclosure Act (HMDA).

9. Seacoast Equities, Inc., La Mesa, CA

Action: Settlement Agreement that includes the payment of a civil money penalty in the amount of \$1,000 and corrective action to assure compliance with HUD-FHA Title I program requirements.

Cause: A HUD monitoring review which disclosed violations of HUD-FHA requirements that included: failure to comply with the Department's reporting requirements under the Home Mortgage Disclosure Act (HMDA); using misleading advertisements regarding the Title I program; and requiring a minimum loan amount.

10. Kiddco Mortgage Company, Cincinnati, OH

Action: Letter of Reprimand and proposed civil money penalty in the amount of \$1,000.

Cause: A HUD monitoring review that cited the company for bringing a defaulted loan current in order to process a streamline refinance, and making alleged false certifications to HUD-FHA.

11. Greater Chicago Mortgage Corporation, Chicago, IL

Action: Letter of Reprimand

Cause: Alteration of loan documents by a former employee of the company in connection with a HUD-FHA insured mortgage transaction and violation of HUD-FHA prepurchase counseling requirements with respect to the borrowers involved in the transaction.

12. T.A.B. Mortgage Corporation, Fort Lauderdale, FL

Action: Probation and proposed civil money penalty in the amount of \$10,000.

Cause: A HUD monitoring review that disclosed violations of HUD-FHA requirements which included: failure to comply with HUD-FHA reporting requirements under the Home Mortgage