

- 24
- ¹ Attached as Exhibit 1

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stated: "Should you or your agent need any additional approval documentation, please feel
 free to email or call with your request." The Notification was signed "Rodrigo Ballon |
 Branch Manager" and included Respondent's direct contact information. On the same day,
 J.B. completed a Purchase and Sale Agreement (Agreement) for the purchase of a dwelling
 in Wasilla, Alaska. The Agreement stated: "J.B. agrees to make a good faith loan
 application with CMG Financial (Rodrigo Ballon) (Lender)."

4. On February 10, 2014, CMG staff pulled a credit report for J.B. ten days after the
Notification was issued to J.B. Email correspondence with borrower reflects that the credit
score for J.B. was too low to qualify for the Department of Veterans' Affairs (VA) 30 year
loan.

5. On February 12, 2014, Mr. Ballon's electronic signature was affixed on the
mortgage application (1003) on page 4. J.B. signed the 1003 electronically. The name and
unique identifier of another CMG mortgage loan originator, S.E., is listed on the Loan
Originator Name and Loan Originator Identifier sections of the 1003 on page 4.

6. Email correspondence between J.B., J.B.'s wife, and CMG dated January 31,2014 to February 13, 2014 shows the following:

- Respondent or one of his team members from "Team Ballon" is copied on all email correspondence.
- b. S.E. was not copied on, nor did S.E. send or receive, any email correspondence relating to this transaction.
- c. Email correspondence references phone conversations that J.B. and Respondent had during the period.
- 23 7. On February 13, 2014, an email to Team Ballon confirmed the loan was cancelled
- 24 because the borrower did not qualify. Per CMG management, the loan origination software

reflected this loan as cancelled/withdrawn; however, this loan should have received an Equal
 Credit Opportunity Act² ("ECOA") notification of denial. J.B. never received an ECOA
 notification to inform him that the loan was denied within 30 days of the decision.

II. CONCLUSIONS OF LAW

Taking a mortgage loan application for a dwelling located in Alaska with the
expectation of compensation is work as a "mortgage loan originator" as that term is defined
in AS 06.60.990(23).

8 2. Respondent violated AS 06.60.012 by originating a mortgage loan in Alaska without a
9 license.

3. Respondent violated AS 06.60.340(22) by making false or misleading statements in a
mortgage prequalification letter, including a statement that J.B. qualified for a VA loan when,
in fact, he did not qualify for the loan; that J.B.'s credit had been reviewed when it had not; and
that the Notification was for approval of a loan rather than a pre-approval.

4. Respondent violated AS 06.60.330 by failing to provide written notice to J.B. within
thirty days after his loan application was denied, as required by the Equal Credit Opportunity
Act.

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5. Respondent is subject to a civil penalty under AS 06.60.420 for violating AS 06.60.012,
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AS 06.60.340(22), and AS 06.60.330.

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ORDER and NOTICE

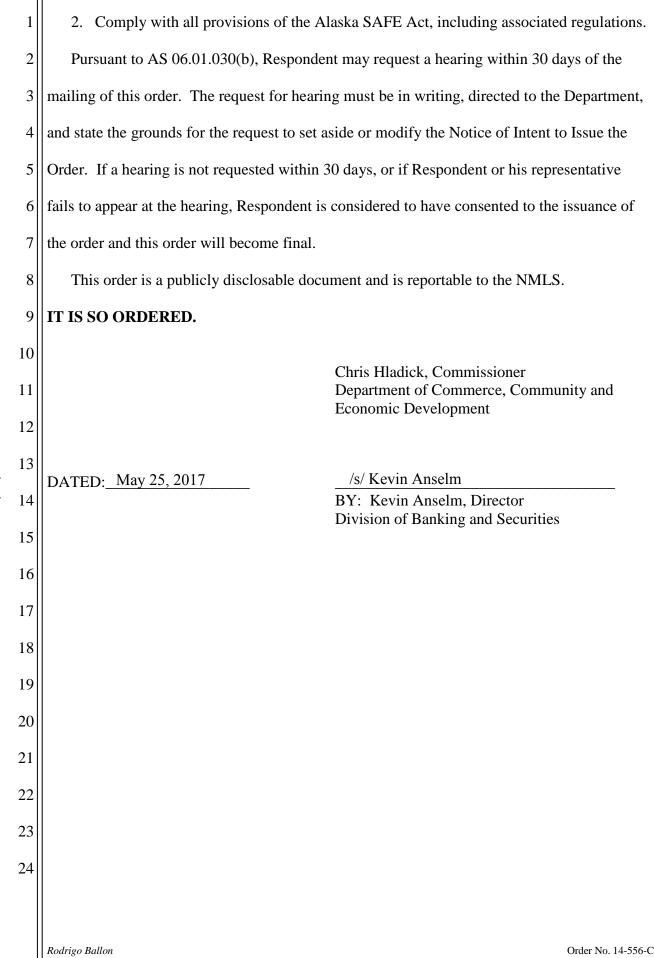
The Department, pursuant to AS 06.01.030 and AS 06.60.430, hereby issues this notice of intent to issue an order directing Respondent to:

III.

1. Pay a civil penalty under AS 06.60.420 in the amount of \$5,000 for each violation of
the Alaska SAFE Act, for a total of \$15,000.

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² 15 U.S.C. § 1601 *et seq*.



STATE OF ALASKA DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT DIVISION OF BANKING AND SECURITIES 550 WEST SEVENTH AVENUE, SUITE 1850 ANCHORAGE, ALASKA 99501 (907)269-8140