

1 STATE OF ALASKA
2 DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
3 DIVISION OF BANKING AND SECURITIES

4 IN THE MATTER OF:)
5 RODRIGO BALLON) **ORDER NO. 14-556-C**
6 NMLS #272011) **NOTICE OF INTENT TO ISSUE AN**
7) **ORDER IMPOSING A CIVIL PENALTY**
8 Respondent.)
9 _____)

10 The Director of the Department of Commerce, Community, and Economic
11 Development, Division of Banking and Securities (“Department”), has conducted an
12 investigation into certain activities of Rodrigo Ballon (“Respondent”), and has determined
13 that Respondent violated certain provisions of AS 06.60 *et seq.* (“the Alaska Secure and
14 Enforcement for Mortgage Licensing Act of 2010 – the Alaska SAFE Act”).

15 **I. FINDINGS OF FACT**

16 1. Respondent was employed as a mortgage loan originator with CMG Mortgage, Inc.
17 d/b/a/ CMG Financial (CMG) in San Diego, California from March 2012 to November 2015.
18 CMG compensated Respondent for originating mortgage loans in California. CMG holds
19 Alaska Mortgage Broker/Lender License number 1820, which was issued on May 13, 2011.

20 2. Respondent has never held a license to originate mortgage loans in Alaska.

21 3. On January 31, 2014, CMG issued a document titled “Notification of Approval”¹
22 (Notification) to California resident J.B. that stated: “CMG...has pre-approved a home loan
23 application for J.B...” and the property address was “TBD” (to be determined). The letter
24 _____

¹ Attached as Exhibit 1

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

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

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

15 6. Email correspondence between J.B., J.B.’s wife, and CMG dated January 31,
16 2014 to February 13, 2014 shows the following:

- 17 a. Respondent or one of his team members from “Team Ballon” is copied
18 on all email correspondence.
- 19 b. S.E. was not copied on, nor did S.E. send or receive, any email
20 correspondence relating to this transaction.
- 21 c. Email correspondence references phone conversations that J.B. and
22 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

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

4 **II. CONCLUSIONS OF LAW**

5 1. Taking a mortgage loan application for a dwelling located in Alaska with the
6 expectation of compensation is work as a “mortgage loan originator” as that term is defined
7 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.

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

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

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

19 **III. ORDER and NOTICE**

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

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

24 _____
² 15 U.S.C. § 1601 *et seq.*

1 2. Comply with all provisions of the Alaska SAFE Act, including associated regulations.
2 Pursuant to AS 06.01.030(b), Respondent may request a hearing within 30 days of the
3 mailing of this order. The request for hearing must be in writing, directed to the Department,
4 and state the grounds for the request to set aside or modify the Notice of Intent to Issue the
5 Order. If a hearing is not requested within 30 days, or if Respondent or his representative
6 fails to appear at the hearing, Respondent is considered to have consented to the issuance of
7 the order and this order will become final.

8 This order is a publicly disclosable document and is reportable to the NMLS.

9 **IT IS SO ORDERED.**

10
11 Chris Hladick, Commissioner
12 Department of Commerce, Community and
13 Economic Development

14 DATED: May 25, 2017

15 /s/ Kevin Anselm
16 BY: Kevin Anselm, Director
17 Division of Banking and Securities

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