

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

In the matter of:)
Rodrigo Ballon) ORDER NO: 14-556-C
NMLS #272011) ORDER IMPOSING A CIVIL PENALTY
AND
Respondent.) CONSENT TO ORDER

The Department of Commerce, Community, and Economic Development, Division of Banking and Securities (“Department”) has examined the origination of one residential mortgage loan associated with Rodrigo Ballon (“Respondent”) and determined certain provisions of AS 06.60 *et seq.* (the Alaska Secure and Fair Enforcement for Mortgage Licensing Act of 2010 – the “Alaska SAFE Act”) were violated.

Respondent agrees that the Department has jurisdiction over him and this matter pursuant to the Alaska SAFE Act.

Respondent wishes to resolve and settle this matter with the Department. As evidenced by the authorized signature on this Order, Respondent consents to the entry of this Order imposing a civil penalty in order to resolve and settle this matter. Respondent waives his right to a hearing under AS 44.62 *et seq.* (the Alaska Administrative Procedure Act) and the Alaska SAFE Act.

I. FINDINGS OF FACT

1. Respondent was employed as a mortgage loan originator with CMG Mortgage, Inc. d/b/a CMG Financial (CMG) in San Diego, California from March 2012 to November 2015.

1 CMG compensated Respondent for originating mortgage loans in California. CMG holds
2 Alaska Mortgage Broker/Lender License number 1820, which was issued on May 13, 2011.

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

4 3. On January 31, 2014, CMG issued a document titled "Notification of Approval"
5 (Notification) to California resident J.B. for a 30-year Department of Veterans' Affairs (VA)
6 loan that stated: "CMG...has pre-approved a home loan application for J.B..." and the property
7 address was "TBD" (to be determined). The letter stated: "Should you or your agent need any
8 additional approval documentation, please feel free to email or call with your request." The
9 Notification reflected Respondent's name as "Rodrigo Ballon | Branch Manager" and included
10 the Respondent's contact information. Per Respondent, the Notification was issued based on
11 income and credit information previously provided to CMG by J.B. in 2013 and which J.B.
12 indicated had not changed. On the same day, J.B. completed a Purchase and Sale Agreement
13 (Agreement) for the purchase of a dwelling in Wasilla, Alaska. The Agreement stated: "J.B.
14 agrees to make a good faith loan application with CMG Financial (Rodrigo Ballon)(Lender)."

15 4. On February 10, 2014, CMG staff pulled a credit report for J.B., ten days after the
16 Notification was issued to J.B. Email correspondence with J.B. reflects that the credit score for
17 J.B. was too low to qualify for the 30-year VA loan.

18 Also on February 10, 2014, the name and unique identifier of a CMG mortgage loan
19 originator licensed in Alaska, S.E., was listed in the Loan Originator Name and Loan
20 Originator Identifier sections of the 1003 on page 4. Respondent's electronic signature was
21 affixed to the 1003 on page 4 in the Loan Originator's Signature section.

22 5. On February 12, 2014, J.B. signed the mortgage application (1003) electronically.

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

- 1 a. Respondent or one of his team members is copied on all email correspondence.
2 b. S.E. was not copied on the email correspondence relating to this
3 transaction.
4 c. Email correspondence references a phone conversation that J.B. and
5 Respondent had during the period.
6 7. On February 13, 2014, an email confirmed the loan was cancelled because the
7 borrower did not qualify.

8 II. CONCLUSIONS OF LAW

- 9 1. Taking a mortgage loan application for a dwelling located in Alaska with the
10 expectation of compensation is work as a “mortgage loan originator” as that term is defined
11 in AS 06.60.990(23) and requires a license pursuant to AS 06.60.012.
12 2. Respondent violated AS 06.60.012 by performing work as a mortgage loan originator
13 without being licensed.
14 3. Respondent violated AS 06.60.340(22), which prohibits false or misleading statements
15 in a mortgage prequalification letter, by stating in the Notification that J.B. qualified for a VA
16 loan when, upon further verification, he did not qualify for the loan.
17 4. In connection with the violations of AS 06.60.012 and AS 06.60.340(22), Respondent
18 is subject to a civil penalty under AS 06.60.420.

19 III. ORDER

20 Pursuant to the Alaska SAFE Act and on the basis of the Findings of Fact,
21 Conclusions of Law, and Respondent’s consent to the entry of this Order, the Department
22 ORDERS Respondent to:

- 23 1. Comply with the Alaska SAFE Act and associated regulations; and
24 2. Pay a civil penalty in the amount of two thousand dollars (\$2,000).

1 This Order is a publicly disclosable document and is reportable to the Nationwide Mortgage
2 Licensing System (NMLS).

3 **IT IS SO ORDERED.**

4
5 Chris Hladick, Commissioner
6 Department of Commerce, Community
7 and Economic Development

7 July 18, 2017
8 Date

/s/ Kevin Anselm
Kevin Anselm, Director
Division of Banking and Securities

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16 **Consent to Entry of Order**

17 I, Rodrigo Ballon, state that I have read the foregoing Order, that I am aware of the
18 right to a hearing and appeal in this matter and have waived the same.

19 I admit to the jurisdiction of the Department of Commerce, Community and
20 Economic Development, Division of Banking and Securities (“Department”) and further
21 consent to entry of this Order by the Department as settlement of the issues contained in this
22 Order. I admit violation of the Alaska SAFE Act.

23 I understand that the Department reserves the right to take further actions to enforce
24 this Order or to take appropriate action upon discovery of other violations of the Alaska

1 SAFE Act, and that I will fully comply with the terms and conditions of this Order, the
2 Alaska SAFE Act and associated regulations.

3 I enter into this Order voluntarily and understand that this Order is a public document
4 and is reportable to the Nationwide Multistate Licensing System and Registry (NMLS).

5
6 7-7-2017
Date

/s/ Rodrigo Ballon
Rodrigo Ballon

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9 SUBSCRIBED AND SWORN TO before me this 7th day of July, 2017 at
10 San Diego, CA.

/s/ C. Gray
Notary Public in and for California

C. Gray / Notary Public
Notary Printed Name
My commission expires: June 21, 2020

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16 Approved As to Form

/s/ Holly S. Bunting
Holly S. Bunting
Attorney for Rodrigo Ballon

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20 Contact Person:
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