

1 **ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS**

2 In the Matter of the Mortgage Broker License of:

No. 10F-BD035-BNK

3 **ENVISION LENDING GROUP, INC.**  
4 **AND AMY ANDERSON, PRESIDENT**  
10813 S. River Front Parkway, Suite 300  
5 South Jordan, UT 84095

**CONSENT ORDER**

6 Petitioners.

7 On March 29, 2010, the Arizona Department of Financial Institutions ("Department") issued  
8 a Notice of Hearing, alleging that Petitioners had violated Arizona law. Wishing to resolve this  
9 matter in lieu of an administrative hearing, and without admitting liability or responsibility,  
10 Petitioners consent to the following Findings of Fact and Conclusions of Law, and consent to the  
11 entry of the following Order.

12 **FINDINGS OF FACT**

13 1. Petitioner Envision Lending Group, Inc. ("Envision") is a Utah corporation that was,  
14 at all material times herein, authorized to transact business in Arizona as a mortgage broker, license  
15 number MB 0906944, within the meaning of A.R.S. § 6-901, *et seq.* The nature of Envision's  
16 business is that of making, negotiating, or offering to make or negotiate a loans secured by Arizona  
17 real property within the meaning of A.R.S. § 6-901(11).

18 2. Petitioner Amy Anderson ("Ms. Anderson") is the President of Envision. Ms. Anderson  
19 was, at all material times herein, authorized to transact business in Arizona as a mortgage broker  
20 within the meaning of A.R.S. § 6-903(H).

21 3. An examination of Envision, conducted by the Department beginning June 15, 2009 and  
22 concluding October 5, 2009, revealed that Petitioners:

23 a. Failed to first obtain a branch office license from the Superintendent before acting as  
24 a mortgage broker; specifically:

25 i. Petitioners have originated and/or processed at least thirteen (13) mortgage loans  
26 during 2007 and 2008 on Arizona real property from at least five (5) unlicensed

1 branch locations; specifically:

2 1. Four (4) loans were originated and/or processed at the unlicensed branch  
3 located at 4285 North Rancho #160, Las Vegas, Nevada 89130;  
4 specifically:

5 a. Loan # 14122- M.K.- 926 W. Gascon Rd., Queen Creek, AZ  
6 85243 (Funded January 18, 2007);

7 b. Loan # 14142- M.K.- 28050 N. Limestone, Queen Creek, AZ  
8 85242 (Funded January 18, 2007);

9 c. Loan # 14128- M.K.- 30933 N. Muscovite Drive, Queen Creek,  
10 AZ 85242 (Funded January 18, 2007); and

11 d. Loan # 16819- R.P.- 4625 W. Gail Drive, Chandler, AZ 85226  
12 (Funded May 14, 2007);

13 2. One (1) loan was originated and/or processed at the unlicensed branch  
14 located at 10813 S. River Front Park, Whiterocks, UT 84085; specifically

15 a. Loan # 24922- M.D.- 5242 S. Placita Brisa Grande, Tucson, AZ  
16 95706 (Funded September 4, 2007);

17 3. Two (2) loans were originated and/or processed at the unlicensed branch  
18 located at 1411 West 1250 South, Suite 300, Orem, UT 84058;  
19 specifically:

20 a. Loan # 31357-J.V.- 1084 Thunderbolt Avenue, Lake Havasu City,  
21 AZ 86406 (Funded December 5, 2008); and

22 b. Loan # 25904-W.E.-104 Elm Street, Duncan, AZ 85534 (Funded  
23 May 13, 2008)

24 4. Five (5) loans were originated and/or processed at the unlicensed branch  
25 located at 563 East 770 North, Orem, UT 84097; specifically: and

26 a. Loan # 21051-P.L.-6089 S. 17th Place, Gilbert, AZ 85298 (Funded

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November 14, 2007);

- b. Loan # 14465-J.M.-4800 W. Paseo Don Carlos, Tucson, AZ 95746 (Funded February 5, 2007);
- c. Loan # 16783-R.B.-261 Paseo Grade, Quartzsite, AZ 85344 (Funded May 4, 2007);
- d. Loan # 14185-M.D.-3416 W. Blanche Drive, Phoenix, AZ 85032 (Funded January 24, 2007); and
- e. Loan # 18626-J.B.-207 Date Street, Page, AZ 86040 (Funded July 25, 2007);

5. One (1) loan was originated and/or processed at the unlicensed branch location at 4001 South 700 East, Suite 620, Salt Lake City, UT 84107; specifically:

- a. Loan # 15941-B.R.-310 N. 100 E., Fredonia, AZ 86022 (Funded April 8, 2007);

ii. Additional Envision loan files contain processing documents with return addresses to unlicensed locations, appraisals addressed to unlicensed locations and funding checks issued to unlicensed addresses; specifically:

- 1. 2737 E. Greenway #7, Phoenix, AZ 85032;
- 2. 1071 N. Grand Avenue, Suite 290, Nogales, AZ 85621;
- 3. 2101 S. Alma School Road, Mesa, AZ 85210;
- 4. 10239 W. Via Del Sol, #402, Peoria, AZ 85381;
- 5. 33 West 1125 North, Hurricane, UT 84737;
- 6. 17505 N. 79th Avenue, Suite 310, Glendale, AZ 85308;
- 7. 16807 N. Cave Creek Road, Phoenix, AZ 85032; and
- 8. 640 East 700 South, St. George, UT 84770;

iii. Petitioners received a total of forty one thousand eight hundred eighty two

1 dollars and thirty eight cents (\$41,882.38) in compensation from the thirteen  
2 (13) loans originated and/or processed at the five (5) unlicensed locations listed  
3 in paragraph 4.a.i above; specifically:

- 4 1. Loan # 14122- M.K.- \$1,428.00 origination fee, \$300.00 processing fee,  
5 \$395.00 administration fee and \$833.00 broker fee = \$2,956.00 total;
- 6 2. Loan # 14142- M.K.- \$730.00 origination fee, \$300.00 processing fee,  
7 \$395.00 administration fee, \$136.88 yield spread premium and \$365.00  
8 broker fee = \$1,926.88 total;
- 9 3. Loan # 14128- M.K.- \$1,191.00 origination fee, \$450.00 processing fee,  
10 \$395.00 administration fee, \$595.50 yield spread premium and \$199.50  
11 brokerage fee = \$2,831.00 total;
- 12 4. Loan # 16819- R.P.- \$2,086.00 origination fee, \$3,956.00 discount points,  
13 and \$3,767.32 yield spread premium minus \$550.00 credit = \$9,259.32  
14 total;
- 15 5. Loan # 24922- M.D.- \$2,152.50 origination fee and \$650.00 processing  
16 fee = \$2,802.50 total;
- 17 6. Loan # 31357-J.V.- \$765.00 origination fee and \$1,404.00 yield spread  
18 premium minus \$795.00 credit = \$1,374.00 total;
- 19 7. Loan # 25904-W.E.- \$1,100.00 origination fee, \$500.00 processing fee,  
20 and \$1,674.75 yield spread premium minus \$90.00 credit = \$3,184.75  
21 total;
- 22 8. Loan # 21051-P.L.- \$800.00 broker fee = \$800.00 total;
- 23 9. Loan # 14465-J.M.- \$2,734.88 yield spread premium = \$2,734.88 total;
- 24 10. Loan # 16783-R.B.- \$450.00 broker fee, \$450.00 processing fee, and  
25 \$880.76 yield spread premium = \$1780.76 total;
- 26 11. Loan # 14185-M.D.- \$1,507.58 origination fee, \$416.00 2nd mortgage

1 origination fee, \$450.00 administration fee, and \$1,820.42 yield spread  
2 premium = \$4,194.00 total;

3 12. Loan # 18626-J.B.- \$840.00 origination fee, \$400.00 processing fee,  
4 \$350.00 administration fee, and \$1,680.00 yield spread premium =  
5 \$3,270.00 total; and

6 13. Loan # 15941-B.R.- \$1,515.00 discount fee and \$3,253.29 yield spread  
7 premium = \$4,768.29 total;

8 b. Failed to include their license number, as issued on their principal place of business  
9 license and to fully comply with real estate lending disclosure requirements within all  
10 regulated advertising and solicitations for mortgage business; specifically:

11 i. Mailer labeled "Important notice regarding your VA mortgage" from B.S., dated  
12 April 23, 2009: Petitioners failed to include their principal license number;

13 ii. Mailer labeled "Call Now – 1034 N. Gilbert Rd. #2, Gilbert, AZ" from D.B.,  
14 dated August 4, 2008: Petitioners failed to include their principal license  
15 number;

16 iii. Mailer from D.W., dated January 13, 2009: Petitioners failed to include their  
17 principal license number, and identified the wrong licensee in the mailer;

18 iv. Mailer labeled "VA Streamline" from H.B., dated April 29, 2009: Petitioners  
19 failed to include their principal license number, and provided things of value  
20 including a \$100.00 gift certificate which is considered things of value under  
21 RESPA;

22 v. Mailer labeled "Senior Savings Advantage Rev. Mtg." from J.H., dated May 6,  
23 2008: Petitioners failed to include their principal license number;

24 vi. Mailer labeled "Attention FHA rev. mtg. notification" from J.H., dated April 23,  
25 2008: Petitioners failed to include their principal license number;

26 vii. Mailer labeled "Senior Savings Advantage Rev. Mtg." from J.H., dated May 6,

- 1                   2008: Petitioners failed to include their principal license number;
- 2           viii. Mailer labeled "Senior Savings Advantage Rev. Mtg." from J.H., dated April
- 3                   23, 2008: Petitioners failed to include their principal license number;
- 4           ix. Mailer labeled "The Savings" from J.H., dated May 6, 2008;
- 5           x. Mailers labeled "The Advantage" from J.H., dated May 6, 2008: Petitioners
- 6                   failed to include their principal license number;
- 7           xi. Mailers labeled "Senior Savings Advantage Ref. Mtg." from J.H., dated May 6,
- 8                   2008: Petitioners failed to include their principal license number;
- 9           xii. Mailer from M.W., dated October 16, 2008: Petitioners failed to include their
- 10                   principal license number. Regulation Z requires trigger terms used without
- 11                   additional disclosure; must provide full scenario (amount or percent of down-
- 12                   payment);
- 13           xiii. Mailer from M.T., dated August 25, 2008: Petitioners failed to include their
- 14                   principal license number;
- 15           xiv. A thirty (30) second audio recording using an unapproved name, dated October
- 16                   27, 2008: Petitioners failed to include their principal license name (Mortgage
- 17                   Solution Team used); and
- 18           xv. On website [www.envisionlending.com](http://www.envisionlending.com): Petitioners failed to include their
- 19                   principal license number;
- 20           c. Failed to conduct the minimum elements of reasonable employee investigations prior
- 21                   to hiring employees, specifically:
- 22                   i. Immigration Reform and Control documents were incomplete or missing for at
- 23                   least five (5) employees;
- 24                   ii. The Employment Eligibility Verification (Form I-9) was incomplete or missing
- 25                   for at least thirty (30) employees;
- 26                   iii. A completed and signed employment application was untimely, missing or

- 1 incomplete for at least five (5) employees;
- 2 iv. A signed statement attesting to all of an applicant's felony convictions,  
3 including detailed information regarding each conviction, was missing or  
4 untimely for at least twenty seven (27) employees;
- 5 v. Failed to consult with the applicant's most recent or next most recent employer,  
6 if any, prior to hiring at least thirty (30) employees;
- 7 vi. Failed to inquire regarding an applicant's qualifications and competence for the  
8 position prior to hiring at least thirty (30) employees; and
- 9 vii. Failed to obtain a current credit report from a credit reporting agency prior to  
10 hiring at least thirty (30) employees;
- 11 d. Contracted with or paid compensation to unlicensed, independent contractors;  
12 specifically:
- 13 i. Petitioners paid compensation to unlicensed, employee-owned entities for  
14 processing in the amount of \$143,965.10 and marketing in the amount of  
15 \$1,983,028.52.
- 16 ii. Petitioners' company policy allowed the loan officer to use third party entities to  
17 provide marketing and processing services. The loan officers established the  
18 relationships and terms. Processing services were activities associated with  
19 processing a loan. Petitioners stated that marketing "was understood to include  
20 efforts to obtain leads such as flyers, telemarketing and other advertising  
21 campaigns."
- 22 iii. Petitioners eliminated the marketing payments on May 1, 2008, because they  
23 felt the process was being abused, and that an unreasonable amount of funds  
24 were being paid to the marketing companies. Petitioners' loan files contain a  
25 funding summary report that reflects the distribution of the loan officer's  
26 income, to the processing and marketing companies. The loan files may or may

1 not contain an actual invoice for the processing or marketing business. No  
2 additional back-up information exists. Petitioners state that they “would have to  
3 contact the loan officer for any other documentation related to the specific  
4 payment.”

5 iv. A copy of Petitioners’ third party payment policy was obtained from their  
6 employee files, provided by Petitioners. The policy defines a formula to  
7 determine the amount to be paid, lesser of 20% or \$500.00. It defines what third  
8 party documents are needed prior to receiving payment: A) complete IRS form  
9 W-9, B) current business license, C) current worker’s compensation certificate,  
10 D) invoice for services provided. The policy also defines third party companies  
11 and names that cannot be used, and recommends that the third party name  
12 include marketing or processing and ends with, “cut checks to on your behalf.”

13 v. Additionally Petitioners’ personnel files contain example copies, given to new  
14 employees, of Petitioners’ funding request form, which show how to arrive at  
15 the lesser of 20% or \$500.00. Personnel files contain copies of various  
16 employee owned company forms: W-9’s, applications for state and city licenses,  
17 state business licenses, articles of organization for limited liability companies  
18 and worker’s compensation fund documents. These documents show that loan  
19 originators are also the owners of third party entities. Thus, Petitioners have  
20 allowed their employees to divert taxable W-2 income to an independent  
21 contract.

22 e. Failed to keep and maintain original documents or clearly legible copies of all  
23 mortgage loan transactions; specifically:

24 i. Failed to maintain an original or copy of a document showing the application’s  
25 final disposition, such as a settlement statement or a denial or withdrawal letter,  
26 for at least three (3) mortgage loan files;



- 1 f. Allowed borrowers to sign regulated documents containing blank spaces without  
2 written authorization; specifically:
- 3 i. Petitioners allowed at least two (2) borrowers to sign Form 4506 containing  
4 blank spaces;
  - 5 ii. Petitioners allowed at least nineteen (19) borrowers to sign Form 4506-T  
6 containing blank spaces;
  - 7 iii. Petitioners allowed at least one (1) borrower to sign Form 8821 containing blank  
8 spaces;
  - 9 iv. Petitioners allowed at least one (1) borrower to sign a Good Faith Estimate  
10 containing blank spaces;
  - 11 v. Petitioners allowed at least nineteen (19) borrowers to sign Truth in Lending  
12 disclosures containing blank spaces;
  - 13 vi. Petitioners allowed at least four (4) borrowers to sign Servicing Transfer  
14 disclosures containing blank spaces;
  - 15 vii. Petitioners allowed at least four (4) borrowers to sign Disclosure Notices  
16 containing blank spaces;
  - 17 viii. Petitioners allowed at least four (4) borrowers to sign Mortgage Loan  
18 Origination Agreements containing blank spaces;
  - 19 ix. Petitioners allowed at least five (5) borrowers to sign Borrower Authorizations  
20 forms containing blank spaces; and
  - 21 x. Petitioners allowed at least four (4) borrowers to sign Borrower Certification  
22 and Authorization forms containing blank spaces;
- 23 g. Failed to comply with the disclosure requirements of Title I of the Consumer Credit  
24 Protection Act (15 U.S.C. §§ 1601 through 1666j), the Real Estate Settlement  
25 Procedures Act (12 U.S.C. §§ 2601 through 2617), and the regulations promulgated  
26 under these acts, specifically:

- i. The Good Faith Estimate (“GFE”) was undated and blank in the loan files of four (4) borrowers;
- ii. The GFE was missing in the loan files of five (5) borrowers;
- iii. The GFE was untimely in the loan files of five (5) borrowers;
- iv. The GFE was dated prior to the application date in the loan file of one (1) borrower;
- v. The Truth in Lending disclosure (“TIL”) was undated and blank in the loan files of three (3) borrowers;
- vi. The TIL was incomplete in the loan files of eighteen (18) borrowers;
- vii. The TIL was missing in the loan files of eight (8) borrowers;
- viii. The TIL was untimely in the loan files of five (5) borrowers;
- ix. The TIL was dated prior to the application date in the loan file of one (1) borrower;
- x. The Yield Spread Premium (“YSP”) was not disclosed in the loan files of seven (7) borrowers;
- xi. The Application was undated in the loan file of one (1) borrower;
- xii. The Application Fee was not disclosed in the loan file of one (1) borrower;
- xiii. The Administration Fee was not disclosed in the loan file of one (1) borrower;
- xiv. The Credit Report Fee was not disclosed in the loan file of two (2) borrowers;
- xv. The Annual Percentage Rate was not calculated on the TIL in the loan files of eleven (11) borrowers;
- xvi. The Origination Fee was not disclosed in the loan file of one (1) borrower;
- xvii. The Payment Schedule was incorrectly calculated in the loan file of one (1) borrower; and
- xviii. Petitioners collected from borrowers a total of nine thousand five hundred thirty three dollars and fifty cents (\$9,533.50) in undisclosed fees;

1 h. Made false promises or misrepresentations or concealed essential or material facts in  
2 the course of the mortgage broker business; specifically:

3 i. Borrower G.P. closed two (2) mortgage loan transactions, with Petitioners, on  
4 two (2) different properties. The loan officer on both transactions was A.S.

5 1. Property One funded by BWFC Corporation on February 5, 2008. An  
6 owner occupied refinance including a first mortgage totaling \$140,075.00.  
7 The property is located at 350 E. 30th Street, Tucson, AZ 85713.

8 2. Property Two funded by IndyMac Bank on March 26, 2008. An owner  
9 occupied purchase including a first mortgage totaling \$261,000.00. The  
10 property is located at 4821 North Calle Lianura, Tucson, AZ 85745.

11 3. In December 2007, Petitioners originated an application for the refinance  
12 of an owner occupied home. The mortgage file for property one included  
13 a final FNMA loan application (form 1003), which did not disclose  
14 property two. Petitioners failed to disclose or include the purchase of  
15 property two, which documented the intent of the borrower was to owner-  
16 occupy property two. Petitioners' file for property two contained a signed  
17 sales contract dated January 23, 2008. Petitioners used the same credit  
18 report, dated November 26, 2007, for each property and submitted each  
19 property to different end lenders. Petitioners were aware that the owner  
20 occupied refinance was a misrepresentation, because prior to closing the  
21 refinance loan, Petitioners had originated the new owner occupied  
22 application and was aware of the contract to purchase the additional home,  
23 yet did not disclose this information to the lender. Failure to disclose this  
24 new owner occupied purchase transaction concealed a \$261,000.00  
25 mortgage obligation and an occupancy requirement. In order for a lender  
26 to make a prudent underwriting decision they must know all liabilities and

1 potential liabilities of the borrower. It also affects the amount of money  
2 available to close the loans and the required reserves after the loans close.  
3 The borrower's clear intent was to purchase an additional home which  
4 Petitioners had full knowledge of and helped conceal from the lender.

5 ii. Borrower B.H. closed two mortgage loan transactions, with Petitioners, on two  
6 different properties. The loan officer for both transactions was D.K.

7 1. Property one funded by Lehman Brothers Bank FSB on May 21, 2007 An  
8 owner occupied refinance including a first and second mortgage totaling  
9 \$381,200.00. The property is located at 19232 North Braden Road,  
10 Maricopa, AZ 85239.

11 2. Property two funded by GreenPoint Mortgage Funding, Inc. on May 21,  
12 2007 An owner occupied refinance including a first and second mortgage  
13 totaling \$270,000.00. The property is located at 18765 N. Miller Way,  
14 Maricopa, AZ 85239.

15 3. On March 13, 2007, Petitioners originated two applications for the  
16 refinance of two different owner occupied homes, property one and two  
17 listed above. Current residency was manipulated to reflect the home being  
18 refinanced. A borrower can only have one owner occupied home.  
19 Property one and two were sent to different lenders to conceal the  
20 existence of the other file. In order for a lender to make a prudent  
21 underwriting decision they must know all liabilities and potential  
22 liabilities of the borrower. It also affects the amount of money available to  
23 close the loans and the required reserves after the loans close. Petitioners'  
24 clear intent was to get more favorable terms as an owner occupied  
25 property and with full knowledge concealed it from the separate final  
26 lenders.

1           iii. Borrower J.C. closed two mortgage loan transactions, with Petitioners, on two  
2 different properties. The loan officer on both transactions was A.S.

3           1. Property One funded by Washington Mutual Bank, FA on October 26,  
4           2007. An owner occupied refinance including a first mortgage totaling  
5           \$124,000.00. The property is located at 3602 S. 13th Avenue, Tucson, AZ  
6           85713.

7           2. Property Two funded by BWFC Corporation on November 14, 2007 An  
8           owner occupied purchase including a first mortgage totaling \$161,100.00.  
9           The property is located at 2027 & 2029 East 34th Street, Tucson, AZ  
10          85713.

11          3. In August 2007, Petitioners originated an application for the refinance of  
12          an owner occupied home, see property one and an application for the  
13          purchase of an owner occupied home, see property two. The mortgage file  
14          for property one included a final FNMA loan application (form 1003),  
15          which did not disclose property two. Petitioners failed to disclose or  
16          include the purchase of property two, which documented the intent of the  
17          borrower was to owner-occupy property two. Petitioners' file for property  
18          two contained a signed sales contract dated September 1, 2007.  
19          Petitioners used the same credit report, dated August 8, 2007, for each  
20          property and submitted each property to different end lenders. Petitioners  
21          were aware that the owner occupied refinance was a misrepresentation,  
22          because prior to closing the refinance loan, Petitioners had originated the  
23          new owner occupied application and was aware of the contract to purchase  
24          the additional home, yet did not disclose this information to the lender.  
25          Failure to disclose this new owner occupied purchase transaction  
26          concealed a \$161,100.00 mortgage obligation and an occupancy

1 requirement. In order for a lender to make a prudent underwriting  
2 decision they must know all liabilities and potential liabilities of the  
3 borrower. It also affects the amount of money available to close the loans  
4 and the required reserves after the loans close. The borrower's clear intent  
5 was to purchase an additional home which Petitioners had full knowledge  
6 of and helped conceal from the lender.

7 iv. Borrower B.R. closed one mortgage loan transaction, with Petitioners. The loan  
8 officer on this transaction was K.J.

9 1. Property funded by Taylor, Bean & Whitaker Mortgage on April 8, 2007

10 An owner occupied purchase including a first mortgage totaling  
11 \$156,785.00. The property is located at 310 North 100 East, Fredonia, AZ  
12 86022.

13 2. Petitioners collected discount points from the borrower at the closing of

14 the loan, equal to \$1,515.00. Petitioners locked in and closed the loan at  
15 an interest rate of 6.125%. The lock-in documentation reflects that  
16 discount points were not needed to obtain a 6.125% interest rate but  
17 actually provided a Yield Spread Premium (YSP) of -102.075% or a  
18 \$3,253.29 payment back to Petitioners at closing. YSP is paid on loans  
19 with interest rates that are higher than market rate. A discount point is a  
20 fee paid to reduce the interest rate on a loan, a fee paid to increase the  
21 effective yield on a loan with a lower rate. The Housing and Urban  
22 Development (HUD) defines discount point, in part as: normally paid at  
23 closing and generally calculated to be equivalent to 1% of the total loan  
24 amount, discount points are paid to reduce the interest rate on a loan.

25 (<http://www.hud.gov/offices/hsg/sfh/buying/glossary.cfm>) However, when  
26 the loan closed Petitioners charged additional discount points of 100.966%

1 or \$1,515.00. Petitioners have required the purchaser to pay interest  
2 discount points at closing but then kept the cash of \$1,515.00 and failed to  
3 reduce the interest rate. RESPA 3500.14.c states: No person shall give  
4 and no person shall accept any portion, split, or percentage of any charge  
5 made or received for the rendering of a settlement service in connection  
6 with a transaction involving a federally related mortgage loan other than  
7 for services actually performed. Since no service was performed no  
8 charge can be received. Petitioners have misrepresented a settlement  
9 charge for a service that was not performed.

10 v. Borrower R.P. closed one mortgage loan transaction, with Petitioners. The loan  
11 officer on this transaction was A.A.

- 12 1. Property funded by Franklin American Mortgage Company on May 12,  
13 2007 An owner occupied purchase including a first mortgage totaling  
14 \$208,600.00. The property is located at 4625 W. Gail Drive, Chandler,  
15 AZ 85226.
- 16 2. Petitioners collected discount points from the borrower at the closing of  
17 the loan, equal to \$3,956.00. Petitioners locked in and closed the loan at  
18 an interest rate of 6.25%. The lock-in documentation reflects that discount  
19 points were not needed to obtain a 6.25% interest rate but actually  
20 provided a Yield Spread Premium (YSP) of -101.806% or a \$3,767.32  
21 payment back to Petitioners at closing. YSP is paid on loans with interest  
22 rates that are higher than market rate. A discount point is a fee paid to  
23 reduce the interest rate on a loan, a fee paid to increase the effective yield  
24 on a loan with a lower rate. The Housing and Urban Development (HUD)  
25 defines discount point, in part as: normally paid at closing and generally  
26 calculated to be equivalent to 1% of the total loan amount, discount points

1 are paid to reduce the interest rate on a loan.  
2 (<http://www.hud.gov/offices/hsg/sfh/buying/glossary.cfm>) However, when  
3 the loan closed Petitioners charged additional discount points of 101.896%  
4 or \$3,956.00. Petitioners have required the purchaser to pay interest  
5 discount points at closing but then kept the cash of \$3,956.00 and failed to  
6 reduce the interest rate. RESPA 3500.14.c states: No person shall give  
7 and no person shall accept any portion, split, or percentage of any charge  
8 made or received for the rendering of a settlement service in connection  
9 with a transaction involving a federally related mortgage loan other than  
10 for services actually performed. Since no service was performed no  
11 charge can be received. Petitioners have misrepresented a settlement  
12 charge for a service that was not performed.

13 vi. Borrower C.H. closed one mortgage loan transaction, with Petitioners. The loan  
14 officer on this transaction was K.A.

15 1. Property funded by Mortgage IT on October 15, 2007. An owner occupied  
16 purchase including a first mortgage totaling \$238,753.00. The property is  
17 located at 2828 South Esmeralda Circle, Mesa, AZ 85212.

18 2. Petitioners collected discount points from the borrower at the closing of  
19 the loan, equal to \$2,387.53. Petitioners locked in and closed the loan at  
20 an interest rate of 6.00%. The lock-in documentation reflects that discount  
21 points were not needed to obtain a 6.00% interest rate but actually  
22 provided a Yield Spread Premium (YSP) of -100.218% or a \$520.48  
23 payment back to Petitioners at closing. YSP is paid on loans with interest  
24 rates that are higher than market rate. A discount point is a fee paid to  
25 reduce the interest rate on a loan, a fee paid to increase the effective yield  
26 on a loan with a lower rate. The Housing and Urban Development (HUD)



1 defines discount point, in part as: normally paid at closing and generally  
2 calculated to be equivalent to 1% of the total loan amount, discount points  
3 are paid to reduce the interest rate on a loan.  
4 (<http://www.hud.gov/offices/hsg/sfh/buying/glossary.cfm>) However, when  
5 the loan closed Petitioners charged additional discount points of 101.00%  
6 or \$2,387.53. Petitioners have required the purchaser to pay interest  
7 discount points at closing but then kept the cash of \$2,387.53 and failed to  
8 reduce the interest rate. RESPA 3500.14.c states: No person shall give  
9 and no person shall accept any portion, split, or percentage of any charge  
10 made or received for the rendering of a settlement service in connection  
11 with a transaction involving a federally related mortgage loan other than  
12 for services actually performed. Since no service was performed no  
13 charge can be received. Petitioners have misrepresented a settlement  
14 charge for a service that was not performed.

- 15 i. Made a material misstatement on the license renewal application required to be filed  
16 with the Superintendent; specifically:
- 17 i. Petitioners' Responsible Individual has never met the Arizona residency  
18 requirements and has lived out of state during the period of licensing.  
19 Petitioners have continued to state on their mortgage broker license renewal  
20 application that their Responsible Individual does live in Arizona. Petitioners  
21 have signed and sworn and notarized mortgage broker renewal application four  
22 times since original approval stating the information contained therein is true.  
23 Petitioners have misrepresented their application and concealed material facts.  
24 Petitioners are required to inform the Department and designate a qualified  
25 individual to be their Responsible Individual;
- 26 j. Failed to use a correct written document agreement when accepting documents from

1 borrowers; specifically:

2 i. Petitioners are not using a written fee/document agreement. A review of  
3 Petitioners' files could not document any written fee/document agreements.  
4 Petitioners do not collect any up-front fees, thus only the creation of a document  
5 agreement is required;

6 k. Failed to ensure that Petitioners' Responsible Individual be in active management of  
7 Petitioners' activities; specifically:

8 i. Petitioners' Responsible Individual, Robert Crowther, Sr., has not been a  
9 resident of this state and has not supervised compliance with Arizona statues and  
10 rules as evidenced by the following:

- 11 1. Activity from unlicensed branch locations;
- 12 2. Petitioners have compensated unlicensed contractors \$2,126,993.62 for  
13 activities of their employees as a mortgage broker;
- 14 3. Petitioners originated and closed six (6) loans that contain  
15 misrepresentations and/or conceal material facts;
- 16 4. The Responsible Individual has not met the requirements and Petitioners  
17 have falsely reported on licensing application renewals that he has; and
- 18 5. The number of violations;

19 l. Used an appraisal disclosure that places an unlawful 90-day limit on the amount of  
20 time in which a borrower may obtain a copy of an appraisal for which the borrower  
21 has paid; specifically:

22 i. Petitioners have used a disclosure entitled "NOTICE OF RIGHT TO RECEIVE  
23 AN APPRAISAL REPORT" that includes a 90-day limit on the amount of time  
24 an applicant may request the appraisal.

25 4. Based upon the above findings, the Department issued and served upon Petitioners an  
26 Order to Cease and Desist; Notice of Opportunity For Hearing; Consent to Entry of Order ("Cease

1 and Desist Order”) on January 28, 2010.

2 5. On March 1, 2010, Petitioners filed a Request for Hearing to appeal the Cease and Desist  
3 Order.

4 6. On December 31, 2009, Petitioners voluntarily surrendered their Mortgage Broker  
5 License, Number MB 0906944, and the license surrender is hereby accepted by the Department.

6 7. Petitioners have ceased conducting mortgage broker business in Arizona.

7 8. These Findings of Fact shall also serve as Conclusions of Law.

8 **CONCLUSIONS OF LAW**

9 1. Pursuant to A.R.S. §§ 6-901, *et seq.*, the Superintendent has the authority and duty to  
10 regulate all persons engaged in the mortgage broker business and with the enforcement of statutes,  
11 rules, and regulations relating to mortgage brokers.

12 2. By the conduct set forth in the Findings of Fact, Envision and Ms. Anderson violated  
13 the following:

- 14 a. A.R.S. § 6-904(H) by failing to first obtain a branch office license from the  
15 Superintendent before acting as a mortgage broker at any unlicensed branch location;
- 16 b. A.R.S. §§ 6-903(P) and 6-906(D) by failing to include their license number, as issued  
17 on their principal place of business license and to fully comply with real estate  
18 lending disclosure requirements within all regulated advertising and solicitations for  
19 mortgage business;
- 20 c. A.R.S. § 6-903(Q) and A.A.C. R20-4-102 by failing to conduct the minimum  
21 elements of reasonable employee investigations prior to hiring employees;
- 22 d. A.R.S. § 6-909(B) and A.A.C. R20-4-102 by contracting with or paying  
23 compensation to unlicensed, independent contractors;
- 24 e. A.R.S. § 6-906(A) and A.A.C. R20-4-917(B)(6) by failing to keep and maintain  
25 original documents or clearly legible copies of all mortgage loan transactions;
- 26 f. A.R.S. § 6-909(A) and A.A.C. R20-4-921 by allowing borrowers to sign regulated

1 documents containing blank spaces without written authorization;

2 g. A.R.S. § 6-906(D) and A.A.C. R20-4-917(B)(6)(e) by failing to comply with the  
3 disclosure requirements of Title I of the Consumer Credit Protection Act (15 U.S.C.  
4 §§ 1601 through 1666j), the Real Estate Settlement Procedures Act (12 U.S.C. §§  
5 2601 through 2617), and the regulations promulgated under these acts;

6 h. A.R.S. § 6-909(L) by making false promises or misrepresentations or concealing  
7 essential or material facts in the course of the mortgage broker business;

8 i. A.R.S. § 6-905(A)(8) by making a material misstatement on the license renewal  
9 application required to be filed with the Superintendent;

10 j. A.R.S. § 6-906(C) by failing to use a correct written document agreement when  
11 accepting documents from borrowers;

12 k. A.R.S. § 6-903(H) and A.A.C. R20-4-102 by failing to ensure that Petitioners'  
13 responsible individual be in active management of Petitioners' activities; and

14 l. A.R.S. § 6-906(C) by using an appraisal disclosure that places an unlawful 90-day  
15 limit on the amount of time in which a borrower may obtain a copy of an appraisal for  
16 which the borrower has paid;

17 3. Petitioners violated the aforementioned rules and statutes in the conduct of their  
18 mortgage broker business, which is grounds for the suspension or revocation of Petitioners'  
19 mortgage broker license, pursuant to A.R.S. § 6-905(A)(3).

20 4. Pursuant to A.R.S. § 6-132, Petitioners' violations of the aforementioned statutes are  
21 grounds for a civil penalty of not more than five thousand dollars (\$5,000.00) for each violation for  
22 each day.

23 5. The violations, set forth above, constitute grounds for: (1) the issuance of an order  
24 pursuant to A.R.S. § 6-137 directing Petitioners to cease and desist from the violative conduct and to  
25 take the appropriate affirmative actions, within a reasonable period of time prescribed by the  
26 Superintendent, to correct the conditions resulting from the unlawful acts, practices, and

1 transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-132; (3) the  
2 suspension or revocation of Petitioners' license pursuant to A.R.S. § 6-905; and (4) an order or any  
3 other remedy necessary or proper for the enforcement of statutes and rules regulating mortgage  
4 brokers pursuant to A.R.S. §§ 6-123 and 6-131.

5 **ORDER**

6 1. At the time of execution of this Order, Envision and Ms. Anderson shall:

- 7 a. Submit to the Department a report of the closure of all loan files showing that all files  
8 have been closed or transferred to a mortgage broker or mortgage banker licensed by  
9 the Department or exempt from licensure;
- 10 b. Provide to the Department a report of the arrangements made for storage of the closed  
11 loan files, including a list of all files placed in storage, the location of the files, and  
12 the name of the person to contact for retrieval; and
- 13 c. Submit to the Department a report showing all trust funds have been transferred to a  
14 mortgage broker or mortgage banker licensed by the Department or exempt from  
15 licensure.

16 2. Envision and Ms. Anderson shall immediately pay to the Department a civil money  
17 penalty in the amount of **five thousand dollars (\$5,000.00)**. Envision and Ms. Anderson are jointly  
18 and severally liable for payment of the civil money penalty.

19 3. Envision and Ms. Anderson shall immediately pay to the Department the examination fee  
20 in the amount of **five thousand dollars (\$5,000.00)**, pursuant to A.R.S. § 6-125.


21 4. The provisions of this Order shall be binding upon Envision and Ms. Anderson, their  
22 employees, agents, and other persons participating in the conduct of the affairs of Envision Lending  
23 Group, Inc.

24 5. The provisions of this Order shall be binding upon Envision and Ms. Anderson, and  
25 resolves the Cease and Desist Order, subject to Petitioners' compliance with the requirements of this  
26 Order, as well as all other statutes and rules regulating mortgage brokers.

1 6. This Order shall become effective upon service, and shall remain effective and  
2 enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated,  
3 or set aside.

4 SO ORDERED this 5 day of May, 2010.

5 Lauren W. Kingry  
6 Superintendent of Financial Institutions

7  
8 By   
9 Robert D. Charlton  
Assistant Superintendent of Financial Institutions

10 **CONSENT TO ENTRY OF ORDER**

11 1. Petitioners acknowledge that they have been served with a copy of the foregoing  
12 Findings of Fact, Conclusions of Law, and Order in the above-referenced matter, have read the  
13 same, are aware of their right to an administrative hearing in this matter, and have waived the same.

14 2. Petitioners admit the jurisdiction of the Superintendent and consent to the entry of the  
15 foregoing Findings of Fact, Conclusions of Law, and Order.

16 3. Petitioners state that no promise of any kind or nature has been made to induce them to  
17 consent to the entry of this Order, and that they have done so voluntarily.


18 4. Petitioners agree to cease from engaging in the violative conduct set forth above in the  
19 Findings of Fact and Conclusions of Law.

20 5. Petitioners acknowledge that the acceptance of this Agreement by the Superintendent is  
21 solely to settle this matter and does not preclude this Department, any other agency or officer of this  
22 state or subdivision thereof from instituting other proceedings as may be appropriate now or in the  
23 future.

24 6. Amy Anderson, on behalf of Envision Lending Group, Inc. and herself, represents that  
25 she is the President, and that, as such, has been authorized by Envision Lending Group, Inc. to  
26 consent to the entry of this Order on its behalf.

1 7. Petitioners waive all rights to seek judicial review or otherwise to challenge or contest the  
2 validity of this Order.

3 DATED this 26 day of April, 2010.

4  
5 By   
6 Amy Anderson, President  
Envision Lending Group, Inc.

7 ORIGINAL of the foregoing filed this 5th  
8 day of May, 2010, in the office of:

9 Lauren W. Kingry  
10 Superintendent of Financial Institutions  
Arizona Department of Financial Institutions  
11 ATTN: Susan L. Longo  
2910 N. 44th Street, Suite 310  
12 Phoenix, AZ 85018

13 COPY mailed/delivered same date to:

14 Craig A. Raby, Assistant Attorney General  
15 Office of the Attorney General  
1275 West Washington  
Phoenix, AZ 85007

16 Robert D. Charlton, Assistant Superintendent  
17 Judith R. Moss, Senior Examiner  
Arizona Department of Financial Institutions  
2910 North 44th Street, Suite 310  
18 Phoenix, AZ 85018

19 Amy Anderson, President  
20 Envision Lending Group, Inc.  
10813 S. River Front Parkway, Suite 300  
21 South Jordan, UT 84095  
Petitioners

22 Michael D. Johnston, Esq.  
23 Kirton & McConkie, PC  
1800 Eagle Gate Tower  
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26   
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