

1 STATE OF NEVADA
2 DEPARTMENT OF BUSINESS AND INDUSTRY
3 DIVISION OF MORTGAGE LENDING

4 * * *

5 In re:
6 ARNEL LIWANAG JOSE,
7 Respondent.

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10 **FINAL ORDER**

11 The State of Nevada, Department of Business and Industry, Division of Mortgage
12 Lending Division (hereinafter, the "DIVISION"), having served the Respondent, ARNEL
13 LIWANAG JOSE, (hereinafter, "RESPONDENT") on February 13, 2009, with its Notice of
14 Intent to Revoke Mortgage Agent License and Notice of Intent to Impose Fine and Notice of
15 Right to Request Hearing, attached hereto as Exhibit "1" and incorporated herein by
16 reference, which notified RESPONDENT that a final order would issue in this matter unless,
17 within twenty (20) days of entry and receipt of said Order, RESPONDENT requested a
18 hearing to contest the charges against it, with said request to be made in writing, and;
19

20 Said Order having been sent to RESPONDENT via certified mail and regular mail, and
21 received by RESPONDENT on February 23, 2009, and;

22 RESPONDENT having failed to request a hearing in this matter, and good cause
23 appearing:
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2 **IT IS HEREBY ORDERED** that, pursuant to NRS 645B.670(3) and NRS 645B.750,
3 RESPONDENT'S mortgage agent license in the State of Nevada is **REVOKED**.

4 **IT IS FURTHER ORDERED** that, pursuant to NRS 645B.670, RESPONDENT will be
5 subject to an administrative fine in the amount of THREE THOUSAND SEVEN DOLLARS
6 (\$3,007.00).

7 **IT IS FURTHER ORDERED** that the sum of said administrative fine be paid in full within
8 **thirty (30) days** of entry of the instant Order.

9 Dated this 17th day of March, 2009.

11 **STATE OF NEVADA**
12 **DEPARTMENT OF BUSINESS AND INDUSTRY**
13 **DIVISION OF MORTGAGE LENDING**

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17 By: _____

18 **JOSEPH L. WALTUCH, COMMISSIONER**
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EXHIBIT “1”

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**STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MORTGAGE LENDING**

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In re:

Arnel Liwanag Jose,

Respondent.

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**NOTICE OF INTENT TO REVOKE MORTGAGE AGENT
LICENSE, NOTICE OF INTENT TO IMPOSE FINE AND
NOTICE OF RIGHT TO REQUEST HEARING**

The licensing and regulation of mortgage brokers and mortgage agents in the State of Nevada is governed by Chapter 645B of the Nevada Revised Statutes ("NRS") and Chapter 645B of the Nevada Administrative Code ("NAC"). The State of Nevada, Department of Business and Industry, Division of Mortgage Lending (the "Division") has the general duty to exercise supervision and control over mortgage brokers and mortgage agents, as well as mortgage broker and mortgage agent activity. See, NRS 645B.060(1), NRS 645B.670 and NRS 645B.690. Pursuant to that authority, the Division makes the following Factual Allegations, Violations of Law, and Order, as follows:

FACTUAL ALLEGATIONS

1. On February 26, 2003, Amwest Financial of Nevada ("Amwest") was issued a mortgage broker license (License No. 523) pursuant to Chapter 645B of NRS.

2. On January 27, 2005, Amwest changed its name to Real Dream Mortgage ("Real Dream").

3. On November 8, 2006, Arnel Liwanag Jose ("Respondent") was issued a mortgage agent license pursuant to Chapter 645B of NRS.

4. From November 8, 2006, until May 2, 2007, Respondent was employed by, or

1 associated with, Real Dream as a mortgage agent.

2 5. From May 2, 2007, to October 16, 2007, Respondent was employed by, or
3 associated with, Direct Equity Mortgage, LLC ("Direct Equity") as a mortgage agent.

4 6. On October 16, 2007, Direct Equity's office was closed and Respondent's mortgage
5 agent license reverted to an inactive status.

6 7. Respondent's mortgage agent license expired on November 8, 2007, for failure to
7 renew. See, NRS 645B.430(1).

8 8. On August 21, 2006, At Home Funding ("At Home") was issued a mortgage broker
9 license (License No. 2567) pursuant to Chapter 645B of NRS.

10 9. On July 1, 2008, At Home's mortgage broker office was closed.

11 10. On January 3, 2008, Respondent executed a Uniform Residential Loan Application
12 ("the Cuento 1003") for borrowers, Jose M. Cuento and Gloria F. Cuento ("the Cuentos"). A
13 true and correct copy of the Cuento 1003 (except for the redacted social security numbers of
14 the Cuentos) is attached hereto as **Exhibit "A"** and incorporated herein by reference as
15 though set forth in full.
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17 11. The Cuento 1003 (**Exhibit "A"**) reflects At Home as Respondent's employer.

18 12. The Cuento Good Faith Estimate dated January 3, 2008, prepared by At Home
19 reflects a mortgage broker fee in the amount of \$800.00. A true and correct copy of the
20 Cuento Good Faith Estimate is attached hereto as **Exhibit "B"** and incorporated herein by
21 reference as though set forth in full.
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23 13. On January 18, 2008, the Division received a complaint from Alexander Bautista,
24 At Home's qualified employee ("Bautista") alleging, among other things, that at the time of the
25 Cuento 1003 loan application, Respondent was not licensed by the Division.
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1 14. Respondent responded to the complaint by letter dated February 10, 2008,
2 addressed to Mr. Tony Frascarelli, Investigator III of the Division. In paragraph 7 on page 1 of
3 his letter, Respondent states that *"(a)fter signing the loan application, I realized that my*
4 *license had expired and will not have time to do the required continuing education to renew*
5 *it...."* A true and correct copy of Respondent February 10, 2008, letter to Mr. Frascarelli is
6 attached hereto as **Exhibit "C"** and incorporated herein by reference as though set forth in
7 full.

8 15. Pursuant to NRS 645B.400, "(a) person shall not act as or provide any of the
9 services of a mortgage agent or otherwise engage in, carry on or hold himself out as
10 engaging in or carrying on the activities of a mortgage agent unless the person has a license
11 as a mortgage agent issued pursuant to NRS 645B.410." See, NRS 645B.400.

12 16. Pursuant to NRS 645B.900, unless a person is exempt from Chapter 645B of NRS
13 and complies with exemption requirements, "(i)t is unlawful for any person to offer or provide
14 any of the services of a mortgage broker or mortgage agent or otherwise to engage in, carry
15 on or hold himself out as engaging in or carrying on the business of a mortgage broker or
16 mortgage agent without first obtaining the applicable license issued pursuant to this
17 chapter...." See, NRS 645B.900.

18 17. Pursuant to NRS 645B.060, the Division is charged with conducting "...such
19 investigations as may be necessary to determine whether any person has violated any
20 provision of this chapter, a regulation adopted pursuant to this chapter or an order of the
21 Commissioner...." See, NRS 645B.060(2)(c).

22 18. Pursuant to NRS 645B.610, the Division is also charged with investigating "...each
23 violation alleged in [a] complaint..." received by the Division and "...shall determine from the
24 investigation whether there is reasonable cause to believe that the person committed the
25 alleged violation...." See, NRS 645B.610(1), (3).

1 19. Pursuant to NRS 645B.060, the Division is further charged with conducting
2 "...such other investigations, periodic or special audits, investigations and hearings as may be
3 necessary for the efficient administration of the laws of this State regarding mortgage brokers
4 and mortgage agents...." See, NRS 645B.060(2)(e).

5 20. After receiving the above-described Bautista complaint regarding Respondent, the
6 Division conducted an investigation of the allegations in question. This investigation revealed
7 that on multiple occasions, when Respondent did not have an active mortgage agent license
8 issued pursuant to NRS 645B.410, Respondent had offered or provided services of a
9 mortgage agent in connection with the Cuento 1003 (**Exhibit "A"**), as follows:

- 11 a. Conducting a telephonic interview with the Cuentos;
- 12 b. Executing the Cuento 1003 (**Exhibit "A"**); and
- 13 c. Holding himself out as being employed or, or associated with, At Home, at
14 the time that Respondent executed the Cuento 1003 (**Exhibit "A"**).

15 21. Pursuant to NRS 645B.690, "(i)f a person offers or provides any of the services of
16 a ...mortgage agent or otherwise engages in, carries on or holds himself out as engaging in or
17 carrying on the business of a...mortgage agent and, at the time...(t)he person was required to
18 have a license pursuant to this chapter and the person did not have such a license...the
19 Commissioner shall impose upon the person an administrative fine of not more than \$10,000
20 for each violation and if the person has a license, the Commissioner shall revoke it...." See,
21 NRS 645B.690(1)(a).

22 22. Pursuant to NRS 645B.670, "(f)or each violation committed by a mortgage agent,
23 the Commissioner may impose upon the mortgage agent an administrative fine of not more
24 than \$10,000, may suspend, revoke or place conditions upon his license, or may do both, if
25 the mortgage agent, whether or not acting as such...(h)as made a material misrepresentation
26 in connection with any transaction governed by this chapter... or (h)as violated any provision
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1 of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner
2 or has assisted or offered to assist another person to commit such a violation.” See, NRS
3 645B.670(3)(b), (j).

4 **VIOLATIONS OF LAW**

5 After investigating this matter, it has been determined that Respondent engaged in
6 unlicensed mortgage agent activity in January 2008, in violation of NRS 645B.400 and NRS
7 645B.900.

8 **ORDER**

9 **NOW, THEREFORE, IT IS HEREBY ORDERED** that, pursuant to NRS 645B.750,
10 upon the timely filing of an application with the Division within **twenty (20) days** of the date of
11 this Order, Respondent shall be entitled to a hearing with regard to the contents of this Order.
12

13 At that hearing, pursuant to NRS 645B.690(1)(a), the Division will seek:

14 a. To revoke Respondent’s mortgage agent license for Respondent’s violations of
15 NRS 645B.400 and NRS 645B.900;

16 b. The imposition of an administrative fine against Respondent in the amount of
17 Two Thousand Five Hundred Dollars and No Cents (\$2,500.00) for Respondent’s violations of
18 NRS Chapter 645B, the Division’s investigative costs in the amount of Five Hundred Seven
19 Dollars and No Cents (\$507.00) as well as the Division’s administrative costs and attorney’s
20 fees, if any, incurred herein, to be proven at the hearing; and
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22 d. Respondent’s payment, in full, of the administrative fine, investigative costs as
23 well as the costs and fees to the Division within **thirty (30) days** of entry of the Final Order.
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EXHIBIT “A”

Uniform Residential Loan Application

This application is designed to be completed by the applicant(s) with the Lender's assistance. Applicants should complete this form as "Borrower" or "Co-Borrower". If applicable, Co-Borrower information must also be provided (and the appropriate box checked) when the income or assets of a person other than the "Borrower" (including the Borrower's spouse) will be used as a basis for loan qualification or the income or assets of the Borrower's spouse or other person who has community property rights pursuant to state law will not be used as a basis for loan qualification, but his or her liabilities must be considered because the spouse or other person has community property rights pursuant to applicable law and Borrower resides in a community property state, the security property is located in a community property state, or the Borrower is relying on other property located in a community property state as a basis for repayment of the loan.

If this is an application for joint credit, Borrower and Co-Borrower each agree that we intend to apply for joint credit (sign below):

Borrower	Co-Borrower	I. TYPE OF MORTGAGE AND TERMS OF LOAN	
Mortgage Applied for: <input type="checkbox"/> VA <input checked="" type="checkbox"/> Conventional <input type="checkbox"/> Other (explain): <input type="checkbox"/> FHA <input type="checkbox"/> USDA/Rural Housing Service		Agency Case Number	Lender Case Number
Amount \$ 414,000	Interest Rate 5.875%	No. of Months 360/360	Amortization Type: <input checked="" type="checkbox"/> Fixed Rate <input type="checkbox"/> Other (explain): <input type="checkbox"/> GPM <input type="checkbox"/> ARM (type):

II. PROPERTY INFORMATION AND PURPOSE OF LOAN	
Subject Property Address (street, city, state, & ZIP) 4525 Dean Martin # 1801, Las Vegas, NV 89103 County: Clark	
Legal Description of Subject Property (attach description if necessary) See Preliminary Report	No. of Units 1 Year Built

Purpose of Loan: <input checked="" type="checkbox"/> Purchase <input type="checkbox"/> Construction <input type="checkbox"/> Other (explain): <input type="checkbox"/> Refinance <input type="checkbox"/> Construction-Permanent	Property will be: <input checked="" type="checkbox"/> Primary Residence <input type="checkbox"/> Secondary Residence <input type="checkbox"/> Investment
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<i>Complete this line if construction or construction-permanent loan.</i>					
Year Lot Acquired	Original Cost	Amount Existing Liens	(a) Present Value of Lot	(b) Cost of Improvements	Total (a+b)
	\$	\$	\$	\$	\$

<i>Complete this line if this is a refinance loan.</i>					
Year Acquired	Original Cost	Amount Existing Liens	Purpose of Refinance	Describe Improvements	<input type="checkbox"/> made <input type="checkbox"/> to be made
	\$	\$		Cost: \$	

Title will be held in what Name(s) Jose F. Cuento Gloria M. Cuento	Manner in which Title will be held Joint Tenants	Estate will be held in: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (show expiration date)
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Source of Down Payment, Settlement Charges and/or Subordinate Financing (explain) Checking/Savings

III. BORROWER INFORMATION

Borrower	Co-Borrower
Borrower's Name (include Jr. or Sr. if applicable) Jose M. Cuento	Co-Borrower's Name (include Jr. or Sr. if applicable) Gloria F. Cuento

Social Security Number	Home Phone (incl. area code)	DOB (mm/dd/yyyy)	Yrs. School	Social Security Number	Home Phone (incl. area code)	DOB (mm/dd/yyyy)	Yrs. School
	702-256-0569	03/19/1941	16		702-256-0569	01/11/1940	16

<input checked="" type="checkbox"/> Married (includes registered domestic partners) <input type="checkbox"/> Unmarried (includes single, divorced, widowed) <input type="checkbox"/> Separated	Dependents (not listed by Co-Borrower) No. 0 Ages 0	<input checked="" type="checkbox"/> Married (includes registered domestic partners) <input type="checkbox"/> Unmarried (includes single, divorced, widowed) <input type="checkbox"/> Separated	Dependents (not listed by Borrower) No. 0 Ages 0
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Present Address (street, city, state, ZIP) <input checked="" type="checkbox"/> Own <input type="checkbox"/> Rent 6 No. Yrs. 2955 Majestic Heights Court Las Vegas, NV 89117	Present Address (street, city, state, ZIP) <input checked="" type="checkbox"/> Own <input type="checkbox"/> Rent 6 No. Yrs. 2955 Majestic Heights Court Las Vegas, NV 89117
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Mailing Address, if different from Present Address	Mailing Address, if different from Present Address
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If residing at present address for less than two years, complete the following:

Former Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.	Former Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.
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Former Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.	Former Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.
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Borrower		IV. EMPLOYMENT INFORMATION				Co-Borrower	
Name & Address of Employer Retired US Navy		<input type="checkbox"/> Self Employed	Yrs. on this job	Name & Address of Employer Walmart 702 S.W 8th Street Bentonville, AR 72716-0135		<input type="checkbox"/> Self Employed	Yrs. on this job 12 yr(s)
			Yrs. employed in this line of work/profession				Yrs. employed in this line of work/profession 12
Position/Title/Type of Business		Business Phone (incl. area code)		Position/Title/Type of Business Sales Associates		Business Phone (incl. area code) 702-633-6520	

If employed in current position for less than two years or if currently employed in more than one position, complete the following:

Name & Address of Employer		<input type="checkbox"/> Self Employed	Dates (from-to)	Name & Address of Employer		<input type="checkbox"/> Self Employed	Dates (from-to)
			Monthly income \$				Monthly income \$
Position/Title/Type of Business		Business Phone (incl. area code)		Position/Title/Type of Business		Business Phone (incl. area code)	
Name & Address of Employer		<input type="checkbox"/> Self Employed	Dates (from-to)	Name & Address of Employer		<input type="checkbox"/> Self Employed	Dates (from-to)
			Monthly income \$				Monthly income \$
Position/Title/Type of Business		Business Phone (incl. area code)		Position/Title/Type of Business		Business Phone (incl. area code)	
Name & Address of Employer		<input type="checkbox"/> Self Employed	Dates (from-to)	Name & Address of Employer		<input type="checkbox"/> Self Employed	Dates (from-to)
			Monthly income \$				Monthly income \$
Position/Title/Type of Business		Business Phone (incl. area code)		Position/Title/Type of Business		Business Phone (incl. area code)	
Name & Address of Employer		<input type="checkbox"/> Self Employed	Dates (from-to)	Name & Address of Employer		<input type="checkbox"/> Self Employed	Dates (from-to)
			Monthly income \$				Monthly income \$
Position/Title/Type of Business		Business Phone (incl. area code)		Position/Title/Type of Business		Business Phone (incl. area code)	
Name & Address of Employer		<input type="checkbox"/> Self Employed	Dates (from-to)	Name & Address of Employer		<input type="checkbox"/> Self Employed	Dates (from-to)
			Monthly income \$				Monthly income \$
Position/Title/Type of Business		Business Phone (incl. area code)		Position/Title/Type of Business		Business Phone (incl. area code)	

V. MONTHLY INCOME AND COMBINED HOUSING EXPENSE INFORMATION

Gross Monthly Income	Borrower			Co-Borrower			Total	Combined Monthly Housing Expense	Present		Proposed	
	Borrower	Co-Borrower	Total	Present	Proposed							
Base Empl. Income*	\$	\$ 2,833.16	\$ 2,833.16	Rent	\$							
Overtime				First Mortgage (P&I)							\$ 2,448.97	
Bonuses				Other Financing (P&I)								
Commissions				Hazard Insurance	65.00							55.00
Dividends/Interest				Real Estate Taxes	175.00							264.50
Net Rental Income	1,214.00		1,214.00	Mortgage Insurance								86.25
Other (before completing see the notice in "describe other income" below)	2,776.53		2,776.53	Homeowner Assn. Dues								
Total	\$ 3,990.53	\$ 2,833.16	\$ 6,823.69	Other:								
				Total	\$ 240.00						\$ 2,854.72	

* Self Employed Borrower(s) may be required to provide additional documentation such as tax returns and financial statements.

Describe Other Income Notice: Alimony, child support, or separate maintenance income need not be revealed if the Borrower (B) or Co-Borrower (C) does not choose to have it considered for repaying this loan.

B/C	Description	Monthly Amount
B	Pension Retired	\$ 1,487.53
B	Annuity	1,289.00

[Handwritten signatures]

VI. ASSETS AND LIABILITIES

This Statement and any applicable supporting schedules may be completed jointly by both married and unmarried Co-borrowers if their assets and liabilities are sufficiently joined so that the Statement can be meaningfully and fairly presented on a combined basis. Otherwise, separate Statements and Schedules are required. If the Co-Borrower section was completed about a non-applicant spouse or other person, this Statement and supporting schedules must be completed by that spouse or other person also.

Completed Jointly Not Jointly

ASSETS		Cash or Market Value	LIABILITIES		Monthly Payment & Months Left to Pay	Unpaid Balance
Description			Name and address of Company		\$ Payment/Months	\$
Cash deposit toward purchase held by: Earnest Deposit		\$ 10,000	Charles Schwabb			
<i>List checking and savings accounts below</i>			Acct. no. [REDACTED]		((1,726))	282,000
Name and address of Bank, S&L, or Credit Union			Name and address of Company		\$ Payment/Months	\$
Wells Fargo Bank PO Box 6995 Portland OR. 97228-6995			Countrywide Home Loans (paid off)			
Acct. no. [REDACTED]	\$ 12,053		Acct. no. [REDACTED]		(1,202)	251,875
Name and address of Bank, S&L, or Credit Union			Name and address of Company		\$ Payment/Months	\$
Washington Mutual PO Box 1098 Northridge CA. 91328-1098			American Honda Finance			
Acct. no. [REDACTED]	\$ 28,808		Acct. no. [REDACTED]		498	13,947
Name and address of Bank, S&L, or Credit Union			Name and address of Company		\$ Payment/Months	\$
Acct. no. [REDACTED]	\$		Acct. no. [REDACTED]			
Stocks & Bonds (Company name/number description)		\$	Name and address of Company		\$ Payment/Months	\$
Walmart (1226 shares)		59,388	Acct. no. [REDACTED]			
Southern Copper (202 sh)		21,325	Name and address of Company		\$ Payment/Months	\$
Altria Group (173 sh)		12,263	Acct. no. [REDACTED]			
Life insurance net cash value		\$	Name and address of Company		\$ Payment/Months	\$
Face amount: \$			Acct. no. [REDACTED]			
Subtotal Liquid Assets		\$ 143,837	Name and address of Company		\$ Payment/Months	\$
Real estate owned (enter market value from schedule of real estate owned)		\$ 780,000	Acct. no. [REDACTED]			
Vested interest in retirement fund		\$	Name and address of Company		\$ Payment/Months	\$
Net worth of business(es) owned (attach financial statement)		\$	Acct. no. [REDACTED]			
Automobiles owned (make and year)		\$	Alimony/Child Support/Separate Maintenance Payments Owed to:		\$	
2005 Honda		18,000	Job-Related Expense (child care, union dues, etc.)		\$	
Other Assets (itemize)		\$	Total Monthly Payments		\$ 498	
Personal Properties		55,000	Net Worth (a minus b)		\$ 449,015	Total Liabilities b. \$ 547,822
Total Assets a.		\$ 996,837				

Schedule of Real Estate Owned (if additional properties are owned, use continuation sheet)

Property Address (enter S if sold, PS if pending sale or R if rental being held for income)	Type of Property	Present Market Value	Amount of Mortgages & Liens	Gross Rental Income	Mortgage Payments	Insurance, Maintenance, Taxes & Misc.	Net Rental Income
2855 Majestic Heights Court Las Vegas, NV 89117	R SFR	\$ 430,000	\$ 282,000	\$ 2,500	\$ 1,726	\$ 285	\$ -136
4013 W. Delhi Avenue Las Vegas, NV 89032	R SFR	350,000		2,000		150	1,350
Totals		\$ 780,000	\$ 282,000	\$ 4,500	\$ 1,726	\$ 435	\$ 1,214

List any additional names under which credit has previously been received and indicate appropriate creditor name(s) and account number(s):

Alternate Name	Creditor Name	Account Number
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VII. DETAILS OF TRANSACTION	
a. Purchase price	\$ 460,000.00
b. Alterations, improvements, repairs	
c. Land (if acquired separately)	
d. Refinance (incl. debts to be paid off)	
e. Estimated prepaid items	2,071.44
f. Estimated closing costs	12,570.00
g. PMI, MIP, Funding Fee	
h. Discount (if Borrower will pay)	
i. Total costs (add items a through h)	474,641.44
j. Subordinate financing	
k. Borrower's closing costs paid by Seller	14,000.00
l. Other Credits (explain)	
Cash Deposit	10,000.00
m. Loan amount (exclude PMI, MIP, Funding Fee financed)	414,000.00
n. PMI, MIP, Funding Fee financed	
o. Loan amount (add m & n)	414,000.00
p. Cash from/to Borrower (subtract j, k, l & o from i)	36,641.44

VIII. DECLARATIONS	Borrower		Co-Borrower	
	Yes	No	Yes	No
a. Are there any outstanding judgments against you?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Have you been declared bankrupt within the past 7 years?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Are you a party to a lawsuit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment? <small>(This would include such loans as home mortgage loans, SBA loans, home improvement loans, educational loans, manufactured/mobile home loans, any mortgage financial obligator, bond or loan guarantee. If "Yes" provide details including date, name and address of Lender, FHA or VA case number, if any, and reasons for the action.)</small>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation, bond, or loan guarantee? <small>If "Yes," give details as described in the preceding question.</small>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. Are you obligated to pay alimony, child support, or separate maintenance?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h. Is any part of the down payment borrowed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i. Are you a co-maker or endorser on a note?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j. Are you a U. S. citizen?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
k. Are you a permanent resident alien?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
l. Do you intend to occupy the property as your primary residence? <small>If "Yes," complete question m below.</small>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
m. Have you had an ownership interest in a property in the last three years? (1) What type of property did you own—principal residence (PR), second home (SH), or investment property (IP)? (2) How did you hold title to the home—solely by yourself (S), jointly with your spouse (SP), or jointly with another person (O)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	PR/IP		PR/IP	
	SP		SP	

IX. ACKNOWLEDGEMENT AND AGREEMENT

Each of the undersigned specifically represents to Lender and to Lender's actual or potential agents, brokers, processors, attorneys, insurers, servicers, successors and assigns and agrees and acknowledges that: (1) the information provided in this application is true and correct as of the date set forth opposite my signature and that any intentional or negligent misrepresentation of this information contained in this application may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any Code, Sec. 1001, et seq.; (2) the loan requested pursuant to this application (the "Loan") will be secured by a mortgage or deed of trust on the property described in this application; (3) the property will not be used for any illegal or prohibited purpose or use; (4) all statements made in this application are made for the purpose of obtaining a residential mortgage loan; (5) the property will be occupied as indicated in this application; (6) the Lender, its servicers, successors or assigns may retain the original and/or an electronic record of this application, whether or not the loan is approved; (7) the Lender and its agents, brokers, insurers, servicers, successors and assigns may continuously rely on the information contained in the application, and I am obligated to amend and/or supplement the information provided in this application if any of the material facts that I have represented herein should change prior to closing of the Loan; (8) in the event that my payments on the Loan become delinquent, the Lender, its servicers, successors, or assigns may, in addition to any other rights and remedies that it may have relating to such delinquency, report my name and account information to one or more consumer credit reporting agencies; (9) ownership of the Loan and/or administration of the Loan account may be transferred with such notice as may be required by law; (10) neither Lender nor its agents, brokers, insurers, servicers, successors or assigns has made any representation or warranty, express or implied, to me regarding the property or the condition or value of the property; and (11) my transmission of this application as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or my facsimile transmission of this application containing a facsimile of my signature, shall be as effective, enforceable and valid as if a paper version of this application were delivered containing my original written signature.

Acknowledgement. Each of the undersigned hereby acknowledges that any owner of the Loan, its servicers, successors and assigns, may verify or reverify any information contained in this application or obtain any information or data relating to the Loan, for any legitimate purpose through any source, including a source named in this application or a consumer reporting agency.

Right to Receive Copy of Appraisal. I/We have the right to a copy of the appraisal report used in connection with this application for credit. To obtain a copy, I/We must send Lender a written request at the mailing address Lender has provided. Lender must hear from me/us no later than 90 days after Lender notifies me/us about the action taken on this application, or I/We withdraw this application.

Borrower's Signature <i>X [Signature]</i>	Date	Co-Borrower's Signature <i>X [Signature]</i>	Date
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X. INFORMATION FOR GOVERNMENT MONITORING PURPOSES

The following information is requested by the Federal Government for certain types of loans related to a dwelling in order to monitor the lender's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a Lender may not discriminate either on the basis of this information, or on whether you choose to furnish it. If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race, or sex, under Federal regulations, this lender is required to note the information on the basis of visual observation and surname if you have made this application in person. If you do not wish to furnish the information, please check the box below. (Lender must review the above material to assure that the disclosures satisfy all requirements to which the lender is subject under applicable state law for the particular type of loan applied for.)

BORROWER <input type="checkbox"/> I do not wish to furnish this information	CO-BORROWER <input type="checkbox"/> I do not wish to furnish this information
Ethnicity: <input type="checkbox"/> Hispanic or Latino <input checked="" type="checkbox"/> Not Hispanic or Latino	Ethnicity: <input type="checkbox"/> Hispanic or Latino <input checked="" type="checkbox"/> Not Hispanic or Latino
Race: <input type="checkbox"/> American Indian or Alaska Native <input checked="" type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	Race: <input type="checkbox"/> American Indian or Alaska Native <input checked="" type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White
Sex: <input type="checkbox"/> Female <input checked="" type="checkbox"/> Male	Sex: <input checked="" type="checkbox"/> Female <input type="checkbox"/> Male

To be Completed by Interviewer This application was taken by: <input type="checkbox"/> Face-to-face interview <input type="checkbox"/> Mail <input checked="" type="checkbox"/> Telephone <input type="checkbox"/> Internet	Interviewer's Name (print or type) Arnel Jose	Name and Address of Interviewer's Employer ATHOME FUNDING 4240 W FLAMINGO RD Las Vegas, NV 89103 (P) 702-253-5738 (F) 702-253-1579
	Interviewer's Signature <i>[Signature]</i>	Date
	Interviewer's Phone Number (incl. area code) 702-253-5738	

EXHIBIT “B”

GOOD FAITH ESTIMATE

Applicants: Jose M. Cuento / Gloria Cuento
 Property Addr: 4525 Dean Martin # 1801, Las Vegas, NV 89103
 Prepared by: ATHOME FUNDING Ph. 702-253-5738
 4240 W FLAMINGO RD, Las Vegas, NV 89103

Application No: 08010301Cuento
 Date Prepared: 01/03/2008
 Loan Program:

The information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimates-actual charges may be more or less. Your transaction may not involve a fee for every item listed. The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 settlement statement which you will be receiving at settlement. The HUD-1 settlement statement will show you the actual cost for items paid at settlement.

Total Loan Amount \$	414,000	Interest Rate	5.875 %	Term	360 / 360	mts
900 ITEMS PAYABLE IN CONNECTION WITH LOAN:						
901	Loan Origination Fee	2.000%			\$	8,280.00
902	Loan Discount					
903	Appraisal Fee					(350.00)
904	Credit Report					(20.00)
905	Lender's Inspection Fee					
908	Mortgage Broker Fee				\$	800.00
909	Tax Related Service Fee					800.00
910	Processing Fee					600.00
911	Underwriting Fee					
912	Wire Transfer Fee					
	Lender fee					1,000.00

1100 TITLE CHARGES:						
1101	Closing or Escrow Fee				\$	375.00
1105	Document Preparation Fee					150.00
1106	Notary Fees					
1107	Attorney Fees					
1108	Title Insurance					1,195.00
	courier/wire fee					85.00

1200 GOVERNMENT RECORDING & TRANSFER CHARGES:						
1201	Recording Fees				\$	85.00
1202	City/County Tax/Stamps					
1203	State Tax/Stamps					

1300 ADDITIONAL SETTLEMENT CHARGES:						
1302	Post Inspection				\$	

900 ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE:						
Estimated Closing Costs 12,570.00						
901	Interest for	15	days @ \$	67.5625	per day	\$ 1,013.44
902	Mortgage Insurance Premium					
903	Hazard Insurance Premium					
904						
905	VA Funding Fee					

1000 RESERVES DEPOSITED WITH LENDER:						
1001	Hazard Insurance Premium	months @ \$	55.00	per month	\$	
1002	Mortgage Ins. Premium Reserves	months @ \$	86.25	per month		
1003	School Tax	months @ \$		per month		
1004	Taxes and Assessment Reserves	4 months @ \$	264.50	per month		1,058.00
1005	Flood Insurance Reserves	months @ \$		per month		
		months @ \$		per month		
		months @ \$		per month		

TOTAL ESTIMATED SETTLEMENT CHARGES	Estimated Prepaid Items/Reserves	2,071.44
COMPENSATION TO BROKER (Not Paid Out of Loan Proceeds):		14,641.44
1.125% Yield Spread		\$ 4,657.50

TOTAL ESTIMATED FUNDS NEEDED TO CLOSE:				TOTAL ESTIMATED MONTHLY PAYMENT:			
Purchase Price/Payoff (+)	460,000.00	New First Mortgage(-)		Principal & Interest		2,448.97	
Lead Amount(-)	413,000.00	Sub Financing(-)		Other Financing (P & I)			
Est. Closing Costs (+)	5,870.98	New 2nd Mfg. Closing Costs(+)		Hazard Insurance		55.00	
Est. Prepaid Items/Reserves (+)	2,071.44			Real Estate Taxes		264.50	
Amount Paid by Seller (-)	10,000.00			Mortgage Insurance		86.25	
Cash Deposit				Homeowner Assn. Dues			
				Other			

Total Est. Funds needed to close 36,641.44 Total Monthly Payment 2,854.72

This Good Faith Estimate is being provided by a mortgage broker, and no lender has been obtained. These estimates are provided pursuant to the Real Estate Settlement Procedures Act of 1974, as amended (RESPA). Additional information can be found in the HUD Special Information Booklet, which is to be provided to you by your mortgage broker or lender, if your application is to purchase residential real property and the lender will take a first lien on the property. The undersigned acknowledges receipt of the booklet "Settlement Costs" and if applicable the Consumer Handbook on ARM Mortgages.

Applicant: Jose M. Cuento Date: Applicant: Gloria F. Cuento Date:

EXHIBIT “C”

February 10, 2008

Mr. Tony Frascarelli
Investigator III
Division of Mortgage Lending
Las Vegas, Nevada 89121

RE: Reply to Complaint dated January 30, 2008

Dear Mr. Frascarelli,

This is in reply to the complaint filed in your office by Mr. Alex Bautista alleging that I have violated the following:

NRS 645B.900--prohibiting soliciting/originating loans without being actively licensed
NRS 598D.10--failure to adequately document the ability of the buyers to repay the loan

Let me narrate to you the circumstances, events, and facts of this case:

1. Mr. and Mrs. Jose Cuento went to the office sometime in September of 2007 with the desire to buy a real estate property.
2. Due to our office policy not to engage in dual agency, Ms. Sarabia, the Real Estate agent of this deal requested for me to originate the loan.
3. When I requested for all the documents, I realized that the pre-qualification was done by the Mortgage Broker, Mr. Alex Bautista himself, under his previous company LEXAN FINANCIAL SERVICES. I then reviewed all documentation and saw that everything was in order and in accordance with Mortgage Lending Division policies. In fact, it is worth noting that the buyers were pre-qualified for a much higher property value with a non-conforming loan. A copy of the pre-qualification and loan documentation done by Mr. Bautista are attached. Please note apparent attempts to cover his tracks by the multiple erasures.
4. An initial offer was made for a unit at the Allure Condominiums; unfortunately, a unit was not secured.
5. Hence, the buyers decided to look for a different property and found one they liked and made an offer last November.
6. The loan was processed by our processor, Chris Dominique, and obtained an approval by Just Mortgage.
7. After signing the loan application, I realized that my license had expired and will not have time to do the required continuing education to renew it. That same night, I called Chris and gave specific instructions not to submit the loan application under my name.
8. The next day, the file was reviewed again and turned over to Mr. Greg Guevarra--one of our loan officers. The loan was then submitted to Just Mortgage for final approval with Mr. Guevarra as the loan officer.

9. Unfortunately, this deal did not go through at ATHOME FUNDING, where Mr. Bautista is the mortgage broker, because he cannot qualify as a preferred broker with Just Mortgage.
10. Because of the length of time that this loan was in the hands of our broker, Mr. & Mrs. Cuento decided to pull out the file from ATHOME FUNDING and submitted their package under another brokerage firm via Mega Mortgage where it was approved and funded.

Based on these foregoing facts, I believe that Mr. Alex Bautista was way out of line when he filed this complaint with your office. First and foremost, the said file was a working file which never left the office. Secondly, his broker responsibility to his agents was never exercised as evident by his careless actions in filing unsubstantiated charges with the Division. And finally, as a broker, he had prior knowledge that all loans processed through his brokerage will not have passed considering his credit worthiness. Yet, he willingly applied and accepted the job as the Mortgage Broker in our office under ATHOME FUNDING.

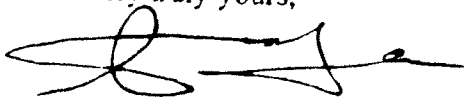
Mr. Bautista's action was purely malicious at the least with the intent of maligning my name. Prior to this and as a Managing Director of this office, I asked him to supply us with a consistent schedule and a list of his requirements for our agents to follow. This was precipitated by his showing in the office during the evenings where most of the agents have already left; and banks, of course, are already closed. He took this in a negative light.

By filing this complaint in your office, Mr. Bautista does not realize that he has incriminated himself. It is also worth mentioning that as my supervisor, he should have called my attention first before filing a complaint in your office. He has never called my attention nor has written a complaint against me within our office.

It is sad to say that Mr. Bautista has lowered himself to this level and pieced together documents here and there just to come out with allegations to satisfy a personal vendetta.

My heart still goes out for Mr. Bautista. Hopefully, this letter will only serve to nullify his allegations and restore my good name with the Division.

Very truly yours,



ARNEL JOSE

FOR FURTHER CLARIFICATION, PLEASE CALL

CHRIS JONICK (702) 544-8530
THERESA SERRA (702) 443-2300
RE BROKER ANDY BOTE (702) 249-5000