

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

4 \* \* \*

5 In re:  
6 Irene Zafra,  
7 Respondent.

8  
9  
10 **ORDER TO CEASE AND DESIST,**  
11 **NOTICE OF INTENT TO REVOKE MORTGAGE AGENT LICENSE,**  
**NOTICE OF INTENT TO IMPOSE FINE and NOTICE OF RIGHT TO REQUEST HEARING**

12 The licensing and regulation of mortgage brokers and mortgage agents in the State of  
13 Nevada is governed by Chapter 645B of the Nevada Revised Statutes (hereinafter, "NRS")  
14 and Chapter 645B of the Nevada Administrative Code (hereinafter, "NAC"). The State of  
15 Nevada, Department of Business and Industry, Division of Mortgage Lending (hereinafter, the  
16 "Division") has the general duty to exercise supervision and control over mortgage brokers  
17 and mortgage agents, as well as mortgage brokering activity. See, NRS 645B.060(1), NRS  
18 645B.690 (1)(a) and NRS 645B.670. Pursuant to that authority, the Division makes the  
19 following Factual Allegations, Violations of Law, and Order as follows:

20 **FACTUAL ALLEGATIONS**

21 1. On April 27, 2009, the Division commenced a regularly scheduled examination of  
22 Hotpoint Financial, LLC (hereinafter "Hotpoint") and discovered Irene Zafra (hereinafter,  
23 "Respondent") engaged in mortgage agent activities in relation to a mortgage loan obtained by  
24 McDougal for the refinance of real property in Nevada, without proper licensure.

25 2. Although licensed as a mortgage agent with First United Mortgage until  
26 November 23, 2008, Respondent was not licensed as a mortgage broker or mortgage agent  
27 with Hotpoint Mortgage when she originated and engaged in mortgage loan activity on the  
28 McDougal mortgage loan. Respondent's license was placed in an inactive status as of

1 November 23, 2008 and the Division currently shows Respondent's license status as closed  
2 effective May 23, 2009.

3 3. After investigating the matter further and confronting Respondent with the facts  
4 regarding the McDougall file, despite her statutory affiliation with First United Mortgage,  
5 Respondent admitted that she had, indeed, originated the McDougal mortgage loan as well as  
6 several other loans for Hotpoint Financial, LLC. between September 2008 and January 2009.

7 4. Pursuant to NRS 645B.060, the Division shall "...conduct an annual examination  
8 of each mortgage broker doing business in this state." See, NRS 645B.060(2)(d).

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

13 6. Pursuant to NAC 645B.300, once an individual obtains a license to act as a  
14 mortgage agent in the State of Nevada, that agent "...may associate with or be employed by a  
15 mortgage broker at only one licensed office location of the mortgage broker and may not  
16 associate with or be employed by a mortgage broker who is exempt from the provisions of  
17 Chapter 645B of NRS or whose office is located outside the State..." See, NAC 645B.300(2).

18 7. Pursuant to NRS 645B.450, "...a person licensed as a mortgage agent pursuant  
19 to the provisions of NRS 645B.410 may not be associated with or employed by more than one  
20 mortgage broker at the same time..." See, NRS 645B.450(1).

21 8. Pursuant to NRS 645B.0127, a "mortgage broker" is defined, in pertinent part, as  
22 "...a person who directly or indirectly... holds himself out for hire to serve as an agent for any  
23 person in an attempt to obtain a loan which will be secured by a lien on real property..." or  
24 "...holds himself out for hire to serve as an agent for any person who has money to lend, if the  
25 loan is or will be secured by a lien on real property..." or "... holds himself out as being able to  
26 make loans secured by liens on real property..." See, NRS 645B.0127(1)(a)(b)(c).

27 9. Pursuant to NRS 645B.0125, a "mortgage agent" is defined, in part, as "...a  
28 natural person who... is an employee or independent contractor of a mortgage broker who is

1 required to be licensed pursuant to this chapter..." and "...is authorized by the mortgage broker  
2 to engage in, on behalf of the mortgage broker, any activity that would require the person, if he  
3 were not an employee or independent contractor of the mortgage broker, to be licensed as a  
4 mortgage broker pursuant to this chapter..." See, NRS 645B.0125 (1)(a)(b).

5 10. Pursuant to NRS 645B.690, "...if a person offers or provides any of the services  
6 of a mortgage broker or mortgage agent or otherwise engages in, carries on or holds himself  
7 out as engaging in or carrying on the business of a mortgage broker or mortgage agent and, at  
8 the time... the person was required to have a license pursuant to this chapter and the person  
9 did not have such a license... the Commissioner shall impose upon the person an  
10 administrative fine of not more than \$10,000 for each violation and, if the person has a license,  
11 the Commissioner shall revoke it..." See, NRS 645B.690(1)(a).

12 11. Pursuant to NRS 645B.900, "...it is unlawful for any person to offer or provide any  
13 of the services of a mortgage broker or mortgage agent or otherwise to engage in, carry on or  
14 hold himself out as engaging in or carrying on the business of a mortgage broker or agent  
15 without first obtaining the applicable license issued pursuant to this chapter..." See, NRS  
16 645B.900.

17 12. Pursuant to NRS 645B.670, "...for each violation committed by a mortgage  
18 agent, the Commissioner may impose upon the mortgage agent an administrative fine of not  
19 more than \$10,000, may suspend, revoke or place conditions upon his license, or may do  
20 both, if the mortgage broker, whether or not acting as such... [h]as violated any provision of  
21 this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner or  
22 has assisted or offered to assist another person to commit such a violation..." See, NRS  
23 645B.670(3)(j).

#### 24 VIOLATIONS OF LAW

25 1. Having completed an annual examination and having considered the factual  
26 admissions provided by Respondent during the investigation of respondent's conduct in this  
27 matter, the Division finds that Respondent's pattern of originating loans for an entity with  
28

1 which she was not legally affiliated to be in violation of NRS 645B.690(1)(a) and  
2 NRS 645B.900.

3 **ORDER**

4 **NOW, THEREFORE,** pursuant to NRS 622.080 and NAC 645B.340, the  
5 **COMMISSIONER** of the **DIVISION HEREBY ORDERS** that Respondent immediately **CEASE**  
6 **AND DESIST** from conducting activity requiring licensure pursuant to NRS Chapter 645B and  
7 the regulation promulgated thereto.

8 **IT IS FURTHER ORDERED,** pursuant to NAC 645B.340(4), that upon filing a verified  
9 petition with the Division within **thirty (30) days** of receipt of this Order to Cease and Desist,  
10 Respondent shall be entitled to a hearing with regard to the contents of this Order to Cease  
11 and Desist. Respondent is advised, however, that the provisions of this Order to Cease and  
12 Desist are effective immediately upon Respondent being served therewith, whether or not  
13 Respondent requests a hearing.

14 **NOTICE TO RESPONDENT:** If you request a hearing, you are specifically informed  
15 that you have the right to appear and be heard in your defense, either personally or through  
16 your counsel of choice at your own expense. At the hearing, if one is timely requested, the  
17 Division will call witnesses and present evidence against you. You have the right to respond  
18 and to present relevant evidence and argument on all issues involved. You have the right to  
19 call and examine witnesses, introduce exhibits and cross-examine opposing witnesses on any  
20 matter relevant to the issues involved.

21 If the Division prevails at any hearing, it may request that attorney's fees and costs be  
22 awarded pursuant to NRS 622.400.

23 **IT IS HEREBY ORDERED** that pursuant to NRS 645B.750, upon written application to  
24 the Division within **twenty (20) days** of the date of this Order, Respondent shall be entitled to a  
25 hearing with regard to the contents of this Order referenced below. At that hearing, the Division  
26 will seek to:

- 27 1. Revoke Respondent's mortgage agent license;

28 ////

1           2. Impose a administrative fine in the amount of Five Thousand Dollars and No Cents  
2 (\$5,000.00) for Respondent's violations of NRS Chapter 645B, the Division's investigative costs  
3 in the amount of One Hundred and Eighty Dollars and No Cents (\$180.00), and attorney's fees,  
4 if any, incurred herein, to be proven at the hearing; and

5           2. Require Respondent's payment, in full, of the administrative fine, costs and fees  
6 within **thirty (30) days** of entry of the Final Order.

7           Should Respondent not request a hearing within **twenty (20) days** of the date of this  
8 Order, the Division will enter a Final Order in this matter against Respondent, pursuant to NRS  
9 645B.750(2)

10  
11           DATED this 4<sup>th</sup> day of July, 2009.

12  
13   State of Nevada  
14   Department of Business and Industry  
15   Division of Mortgage Lending

16   By: Joseph L. Waltuch  
17   Joseph L. Waltuch, Commissioner  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**CERTIFICATE OF SERVICE**

**I certify that I am an employee of the State of Nevada, Department of Business and Industry, Division of Mortgage Lending, and that on July 15, 2009, I deposited in the U.S. mail, postage prepaid via First Class Mail and Certified Return Receipt Requested, a true and correct copy of the foregoing, ORDER TO CEASE AND DESIST, NOTICE OF INTENT TO REVOKE MORTGAGE AGENT LICENSE, NOTICE OF INTENT TO IMPOSE FINE AND NOTICE OF RIGHT TO REQUEST HEARING for IRENE ZAFRA, addressed as follows:**

**Irene Zafra  
9586 Wenmarie Court  
Las Vegas, NV 89148**

**Certified Receipt Number: 7006 2760 0000 0875 9421**

**DATED this 14th day of July, 2009**

**By: \_\_\_\_\_  
Employee of the Division**

