

# NATIONWIDE MORTGAGE e-ALERT<sup>©</sup>

(8-27-12)

## CONSUMER FINANCIAL PROTECTION BUREAU PROPOSES MORE RULES TO PUT LOAN ORIGINATORS OUT OF BUSINESS-LENDERS BEWARE

### FACTS

On August 17, 2012 the Consumer Financial Protection Bureau (CFPB) released proposed rules that would further revise existing compensation requirements in connection with loan originations. The proposal would implement statutory changes to current rules imposed by the Dodd-Frank Wall Street Reform and Consumer Protection Act, require lenders to make a no-point, no-fee loan option available to consumers, and require an interest-rate reduction when consumers pay up-front points or fees. The proposal also would impose additional rules regarding loan originator qualifications, mandatory arbitration, and the financing of credit premiums.

### NO-POINTS OPTION

The CFPB would generally **require creditors and mortgage brokers to make available a no-points, no-fees loan option to consumers (the zero-zero alternative) BEFORE they would be permitted to impose upfront points or fees on a consumer**. The zero-zero alternative would be a loan that did not contain any upfront points or fees (such as discount points or origination points) retained by the creditor, broker, or an affiliate of either. Creditors and brokers could still impose fees paid to independent unaffiliated third parties, and the proposal would not require creditors to offer the zero-zero alternative where the consumer was unlikely to qualify.

The proposal would *prohibit discount points and origination points or fees unless there was a bona fide reduction in the interest rate compared to the interest rate for the zero-zero alternative*. Further, for any creditor rebate applied to reduce the consumer's settlement charges, the creditor would have to provide a bona fide rebate in return for an increase in the interest rate compared to the interest rate for the zero-zero alternative.

### LOAN ORIGINATOR COMPENSATION

The proposal would also amend the existing loan originator compensation requirements in Regulation Z. The general ban on paying or receiving commissions or other compensation based on the terms of the loan (other than loan amount) would continue. However, **the**

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**proposal would permit reductions in a loan originator's compensation in order to compensate for unanticipated increases in closing costs from non-affiliated third parties in violation of applicable law** (such as a tolerance violation under RESPA regulations). The proposal would also clarify when a factor being used to determine loan originator compensation is serving as a prohibited proxy for loan terms or conditions. For these purposes, **a factor would be a proxy if the factor substantially correlated with a term or terms of the loan and the loan originator could, directly or indirectly, add, drop, or change the factor when originating the loan.** The proposal would also revise restrictions on pooled compensation, profit-sharing, and bonus plans for loan originators.

The proposal also would keep in place the general prohibition on loan originators receiving compensation from both consumers and other parties, and would further clarify that mortgage broker firms paid by the consumer would be permitted to pay their **INDIVIDUAL BROKERS A COMMISSION, SO LONG AS THE COMMISSION WAS NOT BASED ON LOAN TERMS.** Finally, the proposal would also clarify that **CONTRIBUTIONS TOWARD CLOSING COSTS BY CERTAIN PERSONS, SUCH AS SELLERS, HOMEBUILDERS, OR SIMILAR PARTIES, WOULD BE CONSIDERED PAYMENTS MADE DIRECTLY TO THE LOAN ORIGINATOR BY THE CONSUMER.**

### Loan Originator Qualifications

The proposal would implement "qualification" requirements for individual loan originators and their employers, and would require their license or registration numbers to be included on certain mortgage loan documents. For example, if a loan originator is not already required to be licensed under the SAFE Act, the proposal would impose on his or her employer requirements to ensure that the loan originator met certain character, fitness, and criminal background check standards equivalent to those in the SAFE Act (or licensed or registered under the SAFE Act where applicable), and would further require the loan originator to receive appropriate training.

### Other Provisions

The proposal would also implement a handful of other requirements. For example, **mandatory arbitration clauses in mortgage agreements would generally be banned, as would the financing of premiums for credit insurance.**

The CFPB indicated it plans to have final rules in place by January 2013, and is requesting comments on how long it will take implement procedures for these requirements. A copy of the proposed rules may be found at

[http://files.consumerfinance.gov/f/201208\\_cfpb\\_tila\\_mlo\\_compensation\\_proposed\\_rule.pdf](http://files.consumerfinance.gov/f/201208_cfpb_tila_mlo_compensation_proposed_rule.pdf).

You have until October 16, 2012 to comment! (*weinerbrdskycompliments 8-22-12*)

## MORAL

Like I has said many times. The rules change almost daily except at the moment it is actually monthly. Keep up or you may find you are accused of violating rules enacted yesterday effective today and you are in violation tomorrow. Le me know if you need some help.

## MORE PROPOSED RULES FROM CONSUMER FINANCIAL PROTECTION BUREAU FOR LOAN SERVICING TO PROTECT CONSUMERS

### FACTS

#### CFPB Proposes Servicing Standards

The Consumer Financial Protection Bureau, on August 10, 2012, released proposed **amendments to Regulation Z and Regulation X**. The proposed rules implement the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act regarding mortgage loan servicing. **Servicers handling less than 1,000 mortgages or only home loans that they own are exempt from many of the requirements set forth by the proposed rules.**

First, the proposed rules would **provide consumers with clear and timely information about their mortgages** to help them avoid costly surprises. The proposed rules would impose **“common-sense” requirements for handling consumer accounts, correcting errors, and evaluating borrowers for options to avoid foreclosure, and prevent mortgage servicers from giving consumers “runarounds.”** The proposed rules would include requirements relating to the following:

- **Periodic billing statements.** Servicers of closed-end residential mortgage loans (other than reverse mortgages) would be required to **provide consumers with regular statements which meet the timing, form and content requirements set forth in the proposed rules.** The proposed rules include sample forms that servicers could use.
- **Adjustable-rate mortgage notices.** Servicers would be **REQUIRED TO NOTIFY A CONSUMER WHOSE MORTGAGE HAS AN ADJUSTABLE RATE 60 TO 120 DAYS BEFORE AN ADJUSTMENT WHICH CAUSES THE PAYMENT TO CHANGE. SERVICERS**

ALSO WOULD HAVE TO NOTIFY CONSUMERS 210 TO 240 DAYS PRIOR TO THE FIRST RATE ADJUSTMENT.

- **Prompt payment crediting.** The proposed rules would generally **require servicers to credit a consumer's account as of the date a payment is received.**
- **Force-placed insurance.** The proposed rules would **prohibit servicers from charging borrowers for force-placed insurance coverage unless the servicer has a reasonable basis to believe the borrower has failed to maintain hazard insurance and has provided required notices. One notice to the borrower would be required at least 45 days before charging for forced-place insurance coverage and a second notice would be required no earlier than 30 days after the first notice. The servicer would also be required to terminate the insurance within 15 days if it receives evidence that the borrower has the necessary insurance and the insurer would refund the force-placed insurance premiums.**
- **Error resolution and information requests.** *If a consumer notifies the servicer that he or she thinks there has been an error, the servicer would be required to acknowledge receiving the notification within five days, conduct a reasonable investigation, and correct the error or respond to the borrower with the results of the investigation, generally within 30 to 45 days.*
- **Information management policies and procedures.** The proposed rules would require servicers to establish reasonable policies and procedures to provide accurate and current information to borrowers and minimize errors. The reasonableness of a servicer's policies and procedures would take into account the servicer's size, scope and the nature of its operations. In addition, the proposed rules **would require servicers to maintain records relating to each mortgage until one year after the mortgage is discharged or servicing is transferred,** and to create a mortgage servicing file for each loan containing certain specified documents and information.
- **Early intervention with delinquent borrowers.** The proposed rules would require servicers to make **good faith efforts to notify delinquent borrowers of loss mitigation options.** For example, if a borrower is 30 days late, the proposed rules would require servicers to make a good faith effort to notify the borrower orally and to let the borrower know that loss mitigation options may be available. If the borrower is 40 days late, the servicer would be required to provide the borrower with a written notice with certain specific information, including examples of loss mitigation options, if applicable, and information on how to obtain more information about loss mitigation options. The notice would also provide information to the

borrower about the foreclosure process. The proposed rules contain model language servicers could use for these notices.

- **Continuity of contact with delinquent borrowers.** The proposed rules would **require servicers to provide delinquent borrowers with direct, easy, ongoing access to employees** who are dedicated and empowered to help delinquent borrowers. Specifically, servicers would be required to assign dedicated contact personnel for a borrower no later than five days after providing the early intervention notice. Additionally, servicers would be required to establish reasonable policies and procedures designed to ensure that servicer personnel perform certain specified functions where applicable and as set forth in the proposed rules.
- **Loss mitigation procedures.** Servicers that offer loss mitigation options to borrowers, such as loan modifications or other payment plans, would be **required to implement procedures to ensure that complete loss mitigation applications are reasonably evaluated before proceeding with a scheduled foreclosure sale.** The proposed rules also would **prohibit servicers from proceeding** with a foreclosure sale until the review of the borrower's application is complete. Servicers also would also be required to let borrowers know when applications are incomplete and to allow borrowers to appeal certain servicer decisions.

The CFPB indicated that it will review and analyze the comments before issuing final rules in January 2013.

### MORAL

If you are a consumer, read this very carefully and note the information for your protection. If you are a servicer, check on your overhead because you may have to increase pricing to the lender which in turn will cost the consumer higher interest on the loan. Isn't the CFPB wonderful? It is protecting the consumer by increasing overhead so the lender can charge the consumer more interest in order to make a profit so less consumers will qualify for loans and homes.

## **CFPB AND FIVE OTHER AGENCIES PROPOSE RULE REQUIRING APPRAISAL WITH PHYSICAL INSPECTION FOR "HIGHER-RISK MORTGAGE" LOANS SO MAKE SURE THE CONSUMER GETS A COPY**

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The CFPB, along with the FRB, the OCC, the FDIC, the NCUA, and the FHFA (*don't you just love all the initials? Now you only have to figure out what they mean*) on August 15, released proposed rules that would **require creditors to obtain a written appraisal**

**before making a "higher-risk mortgage" loan.** The proposed rules would revise Regulation Z and implement amendments to the Truth in Lending Act (TILA) as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The proposed rules would exclude the yet to be defined "qualified mortgages" and open end credit plans, and the agencies propose to exempt reverse mortgage loans and loans secured "solely by residential structures" such as certain manufactured homes.

TILA defines "higher-risk mortgage" as a residential mortgage loan secured by a principal dwelling with an annual percentage rate (APR) that exceeds the average prime offer rate (APOR) by 1.5 percent for first-lien loans, 2.5 percent for first-lien jumbo loans, and 3.5 percent for subordinate-lien loans. TILA's definition of "higher-risk mortgage" is similar to Regulation Z's definition of "higher-priced mortgage loan," but the terms differ in two ways. First, the definition of higher-risk mortgage includes the 2.5 percentage point threshold for first-lien jumbo mortgages that the definition of higher-priced mortgage loan uses only for the purpose of mandating the establishment of escrow accounts. Second, a higher-risk mortgage expressly excludes loans that meet the statutory definition of "qualified mortgage." The term "qualified mortgage" will be defined in forthcoming rules. The Agencies request comments on whether the concurrent use of the two terms will cause confusion and, if so, on alternative approaches to implement the statutory definitions and requirements.

The proposed rules permit *a higher-risk mortgage loan only if the following conditions are met:* the **CREDITOR OBTAINS A WRITTEN APPRAISAL, THE APPRAISAL IS PERFORMED BY A CERTIFIED APPRAISER, THE APPRAISER CONDUCTS A PHYSICAL VISIT OF THE INTERIOR OF THE PROPERTY,** the applicant is provided a statement regarding the purpose of the appraisal, and the **applicant is provided with a free copy of any written appraisals obtained.** **Additionally, in an effort to curb the practice of "flipping," the proposed rules would require the creditor obtain an additional appraisal at no cost to the consumer if the seller purchased the property in the previous six months at a lower price.**

Comment Deadline: October 15, 2012

## **CFPB'S HOEPA PROPOSAL PUBLISHED IN FEDERAL REGISTER**

Consumer Financial Protection Bureau recently proposed rules addressing certain revisions the Dodd-Frank Wall Street Reform and Consumer Protection Act made to the Truth in Lending Act **REGARDING "HIGH-COST" LOANS.** The rules have now been formally published in the Federal Register, on

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August 15, 2012. The Rules would amend the current HOEPA provisions that are described in Regulation Z, 12 C.F.R. § 1026.32.

The Rules would expand the potential applicability of the HOEPA requirements to include residential mortgage transactions (including purchase money transactions, refinances, and closed-end home equity loans) and open-end credit plans. Reverse mortgages would still be excluded from HOEPA requirements.

The Rules would implement the Dodd-Frank revisions to the HOEPA triggers. Currently, a loan is subject to HOEPA requirements if (1) the APR at consummation exceeds by **more than 8 percentage points for first-lien loans, or more than 10 percentage points for subordinate-lien loans, the yield on Treasury securities with comparable maturities, or (2) the total points and fees payable by the consumer at or before closing exceed the greater of 8% of the total loan amount or a floating amount** (for 2012, \$611).

Under the Rules, **THESE TRIGGERS WOULD BE LOWERED AS FOLLOWS:**

- The APR at consummation exceeds the average prime offer rate (APOR) for a comparable transaction, not the yield on Treasury securities, by:
  - More than 6.5 percentage points for first lien loans (8.5 percentage points if the dwelling is personal property and the total transaction amount is less than \$50,000); or
  - More than 8.5 percentage points for subordinate-lien loans.
- The transaction's total points and fees (other than bona fide third party charges not retained by the mortgage originator, creditor, or an affiliate of either) would exceed
  - 5% of the "total transaction amount" (reflecting the new applicability of the HOEPA requirements to both closed-end and open-end credit transactions) for transactions of \$20,000 or more or
  - The lesser of 8% or \$1,000 (adjusted for inflation) for transactions of less than \$20,000.
- The transaction provides for prepayment fees and penalties that:
  - May be imposed more than 36 months after consummation or account opening; or
  - Exceed, in the aggregate, more than 2 percent of the amount prepaid.

The CFPB has indicated that it is aware that if the proposed revisions to the finance charge are enacted, more loans would automatically become HOEPA loans by virtue of these revised triggers. Consequently, in the event that the finance charge revisions are enacted, the Rules propose substituting the “transaction coverage rate” for the APR in the first trigger. The transaction coverage rate would be determined in accordance with the applicable rules for the calculation of the APR for a closed-end transaction, except that the prepaid finance charge would include only charges that would be retained by the creditor, a mortgage broker, or an affiliate of either.

The Rules would implement further Dodd-Frank revisions to the actual HOEPA restrictions on loan terms. Briefly, these include:

- Restrictions on balloon loans.
- Restrictions on prepayment penalties.
- Restrictions on late fees to 4% of the amount that is past due.
- Prohibition on fees for loan modifications or loan deferrals.
- Ability to repay assessments for open-end credit plans.
- Prohibition on recommending or encouraging a consumer to default on a loan or debt to be refinanced by a high-cost mortgage.
- Counseling requirements.

The Rules would also revise Regulation Z and Regulation X to implement counseling requirements that do not depend on HOEPA applicability, especially with regard to negative amortization loans under Regulation Z.

A copy of the formally-released Rules can be found at <http://www.gpo.gov/fdsys/pkg/FR-2012-08-15/pdf/2012-17059.pdf>.

### **MORAL**

Many Thanks to Weiner, Brodsky for the above and to all lenders especially our wholesale lenders, read this carefully, very carefully and keep close track if you are doing anything other than Qualified Mortgages.

## **HUD REMINDER ON NET WORTH REQUIREMENTS TO OUR DIRECT ENDORSEMENT LENDERS-ESPECIALLY SMALL LENDERS**

### **FACTS**



**BY MAY 20, 2013, ALL FHA-APPROVED LENDERS AND MORTGAGEES, IRRESPECTIVE OF SIZE,** are required to have a **minimum net worth of \$ 1 million, plus an additional net worth of one percent of the total volume in excess of \$ 25 million of FHA single-family insured mortgages originated, underwritten, purchased, or serviced during the prior fiscal year.** Further, the regulations require that "[N]O LESS THAN 20 PERCENT OF THE \* \* \* REQUIRED NET WORTH must be liquid assets consisting of cash or its equivalent acceptable to the Secretary" (§ 202.5(n)(3)(i)).

### MORAL

This is primarily a clarification to avoid confusion. The 20% liquidity is based on the \$1 million net worth not on the total net worth.

## KEY PROVISIONS OF THE CALIFORNIA HOMEOWNERS BILL OF RIGHTS

### FACTS

#### THE HOMEOWNER BILL OF RIGHTS GOES INTO EFFECT ON JANUARY 1, 2013.

There are about 700,000 homes currently in the foreclosure pipeline.

**Two key bills of the Homeowner Bill of Rights contain significant mortgage and foreclosure reforms.** The two bills are essentially identical. The major provisions of [AB 278](#) and [SB 900](#) include:

**Dual track foreclosure ban: Mortgage servicers will be required to render a decision on a loan modification application before advancing the foreclosure process by filing a notice of default or notice of sale, or by conducting a trustee's sale. THE FORECLOSURE PROCESS IS ESSENTIALLY PAUSED UPON THE COMPLETION OF A LOAN MODIFICATION APPLICATION FOR THE DURATION OF THE LENDER'S REVIEW OF THAT APPLICATION. SAID ANOTHER WAY, ONCE THE LENDER RECEIVES A BORROWER'S COMPLETE LOAN MODIFICATION APPLICATION, IT MUST BE FULLY PROCESSED, INCLUDING THE RIGHT TO APPEAL BEFORE THE FORECLOSURE PROCESS COMMENCES.**

**Single point of contact:** Mortgage servicers will be required to designate a "single point of contact" for borrowers who are potentially eligible for a federal or proprietary loan modification application. **The single point of contact is an individual or team with knowledge** of the borrower's status and foreclosure prevention alternatives, access to decision makers, and the responsibility to coordinate the flow of documentation between borrower and mortgage servicer.

**Enforceability: Borrowers will have authority to seek redress of "material" violations of the California Homeowner Bill of Rights. Injunctive relief will be available prior to a foreclosure sale and recovery of damages will be available following a sale.**

Verification of documents: The recording and filing of multiple unverified documents will be subject to a civil penalty of up to \$7,500 per loan in an action brought by a civil prosecutor. Enforcement will also be allowed under a violator's licensing statute by the Department of Corporations, Department of Real Estate or Department of Financial Institution. *(Amends and adds to the California Civil Code Sections 2923.5 and 2923.6 Amends and repeals Section 2924, adds Sections 2920.5, 2923.4, 2923.7, 2924.17, and 2924.20, adds and repeals Sections 2923.55, 2924.9, 2924.10, 2924.18, and 2924.19, and adds, repeals, and adds Sections 2924.11, 2924.12, and 2924.15 relating to mortgages)*

### MORAL

If you read this summary carefully and then the code sections for specificity, the homeowners can file to stop the foreclosure by injunctive relief if the lender and /or servicer do not "follow the bouncing ball." So be careful on how the foreclosure process is being done and that all the procedures are followed or the borrower homeowner could be in the house forever? Without paying?

## SAN DIEGO COUNTY CALIFORNIA REAL ESTATE AGENT PLEADS GUILTY TO MORTGAGE FRAUD

### FACTS

**In July 2012 TERESA ROSE, 57** a Ramona real estate agent **PLEADED GUILTY** to taking part in a mortgage scam that caused lenders to lose about \$5 million. **Teresa Rose, 57, is one of four charged in connection to a scheme to inflate real estate prices, obtain mortgages fraudulently and skim more than \$1.5 million in kickbacks** based on an indictment filed in U.S. District Court in San Diego. The other defendants are: **MARY ARMSTRONG, A 51-YEAR-OLD UNLICENSED MORTGAGE BROKER WHO WAS ARRESTED IN LAS VEGAS;** her assistant, **WILLIAM FOUNTAIN, 56, OF LOS ANGELES;** AND **JUSTIN MENSEN, A 31-YEAR-OLD FROM SEATTLE** who authorities said helped by creating fake companies and bank accounts to receive the reported kickbacks.

**ROSE, WHO WAS AN AGENT AT COLDWELL BANKER IN RAMONA** during the alleged incidents in 2006 and 2007, faces one count of conspiracy to commit wire fraud and to launder money. She could face up to a **five-year prison sentence** and a maximum \$250,000 fine. Her sentencing is set for Dec. 3. **Rose was terminated from Coldwell Banker Country Realty when the indictment was handed down May 10,** said David Siroty, vice president of communications with Coldwell Banker Real Estate.

**According to the indictment:** Rose and Armstrong scouted for and found properties for sale in Ramona, El Cajon and parts of Washington state. Armstrong would recruit straw buyers for the homes and promise them \$10,000 for taking part in what they called investments. Armstrong falsified buyers' information to obtain 100 percent financing for the preselected properties. Rose persuaded sellers of the Ramona homes to inflate the sales price by \$100,000, money that went to fake construction and development firms. The investigation concluded that the defendants failed to pay the mortgages on the 16 properties identified in court records and they eventually went to foreclosure. *(usattysdca72009)*

## MORAL

Remember you are innocent until proven guilty in a court of law. BUT a LEGAL QUESTION? Can a corporate broker be liable to a lender when an agent licensed to the corporate broker commits a real estate crime in the course of agency? An interesting thought.

## **SATISH SURI OF PHILADELPHIA, PENNSYLVANIA ARRESTED FOR HUD/FHA MORTGAGE FRAUD**

### FACTS

**On August 20, 2012 SATISH SURI, 57, OF PHILADELPHIA, PENNSYLVANIA, was arrested on an indictment charging him with bank fraud, false statements on loans, and false statements to the Department of Housing and Urban Development (HUD) on a HUD-insured loan, announced United States Attorney Zane David Memeger.**

The indictment charges that **from 2005 to 2008, Suri, A LOAN OFFICER AT SOVEREIGN BANK IN HORSHAM, PENNSYLVANIA,** knowingly submitted false and fraudulent documents to Sovereign Bank on behalf of borrowers in support of mortgage applications on eight properties. The indictment charges that Sovereign Bank relied on the false documents in approving over \$2.375 million in loans and mortgages. Further, according to the indictment, the mortgage on one of the properties was federally insured by HUD.

If convicted of all charges, Suri faces a maximum of **30 years in prison for each bank fraud count, a fine of up to \$20.5 million,** five years' supervised release, and a \$2,200 special assessment.  
*(usatty82112edpa)*

## MORAL

Notice that everyone including Mr. Suri is innocent until and unless proven guilty in a court of law. Notice also that the federal prosecutors are still working on 2005 loans (OVER 7 YEARS OLD) and they have ten years to prosecute. Here they had the grand jury release the indictment seven years after the loan funded. Some of you have asked when it is going to slow down. I have informed several of you this is going to go on in my opinion for several more years. In all probability until after the end of 2013 at the earliest. In fact in this attorneys opinion, the prosecutions will actually speed up and there will be even more indictments in 2013 since I am of the opinion even more foreclosures will take place in 2013 because of the five year "step up."

## **ANNANDALE, VIRGINIA LOAN OFFICER PLEADS GUILTY TO MORTGAGE FRAUD**

### FACTS

**On August 21, 2012 PERVAIZ ARSHAD, 58, OF ANNANDALE, VIRGINIA, PLEADED GUILTY** to conspiring to commit mail fraud and wire fraud in connection with his role in fraudulent mortgage loan transactions involving nine homes in northern Virginia and approximately \$1.7 million in losses to lenders. Arshad also pleaded guilty to a passport fraud charge in connection with his attempt to obtain a fraudulent passport for a co-conspirator fleeing to Canada.

Arshad faces a maximum **PENALTY OF 20 YEARS IN PRISON ON THE CONSPIRACY CHARGE** and 10 years in prison on the passport charge when he is sentenced on November 2, 2012.

Arshad admitted that **WHILE ACTING AS A LOAN OFFICER FOR ANNANDALE-BASED E-STAR LENDING**, he recruited an individual to serve as a straw buyer in fraudulent real estate transactions designed to enrich himself and others. The properties, owned by co-conspirators, were sold to the straw buyer at a profit, and Arshad ensured the straw buyer would qualify for the 100-percent financing used to buy the properties by reporting false employment and income information on the loan applications. **Conspirators set up fake companies to verify the false employment information** and further deceive the lenders. No payments were made on the loans, and Arshad intended for the straw buyer to flee to Canada before the fraud was discovered.

**Arshad was indicted in this case in 2010, after he had fled to Pakistan** to avoid prosecution. He was **arrested in July 2012 when authorities discovered him on a flight into Dulles International Airport**. Arshad is the **SIXTH INDIVIDUAL ASSOCIATED WITH E-STAR LENDING TO BE CONVICTED** of mortgage fraud related charges since 2008. (*usattyedva82312*)

#### MORAL

The federal prosecutors are patient. This goes back four years to 2008. Obviously, it looks like a full doc loan and still he gets caught and having fled and then been caught the sentence will probably be stiffer. The federal prosecutors so far as I can determine are still chasing old loans and still chasing NINA, SISA and other no doc loans as well as fraud doc loans going back to 2004. They have ten years from when the last act (receiving money) was performed to file an indictment. There is every indication they are still doing that throughout the United States. So . . . if anyone out there had questionable loans and they feel they may become a target, I suggest they consult their attorney now. If they do not have an experienced attorney we will be glad to consult with them.

**THE INFORMATION CONTAINED HEREIN IS NOT LEGAL ADVICE.  
AN ATTORNEY SHOULD BE CONSULTED IF YOU DESIRE LEGAL ADVICE.**

**IF YOU ARE UNDER INVESTIGATION OR BEING AUDITED OR SCHEDULED  
TO BE AUDITED BY THE CALIFORNIA DEPARTMENT OF REAL ESTATE,  
NEVADA MORTGAGE LENDING DIVISION OR HUD OR HAVE RECEIVED**

**AN ACCUSATION ACCUSING YOU OF VIOLATIONS OF LAWS OR REGULATIONS YOU SHOULD CALL US IMMEDIATELY**

**SPEAKERS AND SPEAKING ENGAGEMENT**

**Contact Herman Thordsen at 714-662-4990 or 888-667-8529 for  
Registration information**

DATE:	<b>AUGUST 29, 2012</b>
TIME:	<b>6:30 P.M. to 9:00 P.M.</b>
SUBJECT:	<b>FORECLOSURES AND HOW THEY CAN PROTECT THE CONSUMER, AVOID DEFICIENCY LAWSUITS AGAINST THE CONSUMER. A MANUAL WILL BE GIVEN TO EACH ATTENDEE AT NO COST. THIS INCLUDES SYNOPSIS OF NEW LAW THAT GOVERNOR BROWN IS EXPECTED TO SIGN PROTECTING THE CONSUMER AGAINST DUAL TRACKING AS WELL AS OTHER PROTECTIONS.</b>  <b>CONSUMER FINANCIAL PROTECTION BUREAU AUDIT PROCEDURES WITH MANUAL-HOW TO STAY OUT OF TROUBLE WITH THE CFPB</b>  <b>TAXES AND CORPORATE FORMATION BY ROBERT HALL &amp; ASSOCIATES</b>
LOCATION:	<b>5 HUTTON CENTRE DRIVE, SUITE 100, SANTA ANA, CA 92707</b>
COST:	<b>FREE</b>
SPONSOR:	<b>THORSDEN LAW OFFICES</b>
COMMENT:	<b>There is a syllabus on foreclosures in easy to read format for homeowners. There is a syllabus on the CFPB audit procedures. We will have one of each available for all those who attend. BUT YOU MUST PRE-REGISTER SO THAT WE HAVE ENOUGH ON HAND.</b>  <b>Questions can be asked during the seminar and will be answered by the attorney before, during and after the seminar.</b>
REGISTRATION	<b>TO REGISTER: CALL, E MAIL OR FAX HERMAN THORSDEN 714-662-4990, thordsenatlendinglaw.com or FAX 714-662-4999</b>

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**The firm attorneys represent numerous clients in many areas of law including Personal Injury, criminal white collar defense, defending against CALIFORNIA DRE, HUD/FHA and FDIC accusations, trusts and wills for asset protection, copyright and trademark protection, bankruptcy, defending civil suits against loan originators that are sued for repayment of losses on mortgage loans, mortgage fraud defense and general real estate matters.** Among others we are counsel to lenders, realtors, mortgage brokers in California and nationally. We are counsel to state trade associations in California, Nevada and Arizona.

Mr. Thordsen is a panel attorney for the Los Angeles Police Protective League, has been a member of the Advisory Board of the Mortgage Banking and Real Estate Appraisal Programs at California State University, Fullerton as well as the California Department of Real Estate Solicitation Task Force Committee and the California Department of Motor Vehicles Anti-Fraud Task Force.

He has been a speaker on HUD audits before the Clark County Bar Association, Las Vegas Nevada and the Nevada Association of Mortgage Brokers Education Committee as well as a guest speaker on mortgage fraud. He has been a guest speaker at the National Compliance Summit held in Las Vegas, Nevada updating the attendees on "Third Party Mark-ups" and the status of employment laws and regulations against brokers, lenders and title companies that misclassify loan officers and others as independent contractors to avoid paying minimum wage and overtime. **He has also been a guest speaker on RESPA issues at the National RESPA Compliance Summit in Las Vegas, Nevada.**

The Firm regularly represents HUD approved mortgagees, real estate brokers, licensees and lenders before licensing agencies such as the California Department of Real Estate, California Finance Lender section of the Department of Corporations, HUD-FHA Mortgagee Review Board (MRB), HUD Home Ownership Centers and the California Office of Administrative Hearings. This representation includes those charged with violation of federal and state licensing laws, real estate and mortgage laws or the withdrawal of HUD approval and the threat of paying civil penalties or loan indemnification agreements to HUD.

**Mr. Magyar** is the firm's bankruptcy attorney as well as civil defense of lawsuits. We are able to represent you statewide with the modern electronic filings we have with the Federal Courts throughout the state of California. Mr. Magyar is well versed in defending clients before DRE administrative hearings and federal criminal matters.

We have been successful in representing clients in wage and overtime violation cases before the Division of Labor Standards Enforcement involving wage disputes including minimum wage, overtime and unemployment compensation issues.

**Mr. Sean Thordsen** earned his undergraduate degree from Vanderbilt University in Nashville, Tennessee. He attended Chapman University School of Law in Orange, California and is a member of the California and Nevada Bar Associations. Sean's area is in Wills and Trusts for asset protection as well as to avoid the long process of probate. He additionally represents our clients in obtaining copyrights and trademarks as well as defending those accused of violating them in federal court. In fact he earned distinction in

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Copyright and Trademarks at Chapman School of Law in Entertainment Law and Working with Film Makers Clinic. He aids our clients seeking copyright and trademark protection as well as contracts to protect these copyrights and trademarks particularly in the video game areas. He has been an invited speaker at SMU on tax incentives in the video game industry.

**If we may serve you please contact one of our attorneys.**

**Herman Thordsen, Esq.**

**Jozef G. Magyar, Esq.**

**Sean Thordsen, Esq.**

Our trial lawyer for our personal injury cases is Alan Brown a member of the National Trial Lawyers Association. It is by invitation only to the 100 top trial lawyers in each state. We are quite proud of Alan's accomplishment and the fact that we may serve those of you that have been injured that much better.

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