

**BEFORE THE GEORGIA DEPARTMENT OF BANKING AND FINANCE
STATE OF GEORGIA**

GEORGIA SOUTHERN MORTGAGE
GROUP, INC.,

Petitioner,

vs.

GEORGIA DEPARTMENT OF
BANKING AND FINANCE,

Respondent.

DOCKET NO. DBF-MBL-10-011

GENE ROMEO,

Petitioner,

vs.

GEORGIA DEPARTMENT OF
BANKING AND FINANCE,

Respondent.

CONSENT ORDER

On September 18, 2007, the Georgia Department of Banking and Finance ("Department") issued a Notice of Intent to Revoke Annual License to Georgia Southern Mortgage Group, Inc., mortgage broker license number 20383, for violations of the Georgia Residential Mortgage Act, O.C.G.A. § 7-1-1000 *et seq.* ("GRMA"), including transacting business in violation of O.C.G.A. § 7-1-1002(a) and (b) with a person who is unlicensed and unregistered, not exempt from licensing and registration requirements and who is not an employee of a mortgage broker or lender; and, in violation of O.C.G.A. § 7-1-1002(c), for directly or indirectly controlling a person who violated O.C.G.A. § 7-1-1002(a) and (b). Additionally, the Department's Notice of Intent to Revoke Annual License was issued for failing to run background checks on all employees in violation of O.C.G.A. § 7-1-1004(e) and (f); failing to maintain indications in borrower files whether loans had points and fees of 5% or more, as calculated under the Georgia Fair Lending Act, O.C.G.A. § 7-6A-1 *et seq.* ("GAFLA"), in violation of Department Rule 80-11-2-.02(1)(l); and failing to properly maintain a mortgage loan transaction journal in violation of Department Rule 80-11-2-.03.

On this same day, the Department issued a proposed Order to Cease and Desist to Gene Romeo, president of Georgia Southern Mortgage Group, Inc., for violations of GRMA including transacting business in violation of O.C.G.A. § 7-1-1002(a) and (b) with a person who is unlicensed and unregistered, not exempt from licensing and registration requirements and who is not an employee of a mortgage broker or lender; and, in violation of O.C.G.A. § 7-1-1002(c), for directly or indirectly controlling a person who violated O.C.G.A. § 7-1-1002(a) and (b). Additionally, the Department's proposed Order to Cease and Desist was issued for failing to run background checks on all employees in violation of O.C.G.A. § 7-1-1004(e) and (f); failing to maintain indications in borrower files whether loans had points and fees of 5% or more, as calculated under the Georgia Fair Lending Act, O.C.G.A. § 7-6A-1 *et seq.* ("GAFLA"), in violation of Department Rule 80-11-2-.02(1)(I); and failing to properly maintain a mortgage loan transaction journal in violation of Department Rule 80-11-2-.03.

The parties have reached a settlement of the issues raised by the Notice of Intent to Revoke Annual License and the proposed Order to Cease and Desist and have agreed to a resolution of those matters in their entirety.

Accordingly, it is hereby ORDERED as follows:

1. Georgia Southern Mortgage Group, Inc. will strictly comply with the terms of this Consent Order, GAFLA, GRMA, and the Department's Rules enacted pursuant thereto. Failure to do so may result in additional administrative action being brought against Georgia Southern Mortgage Group, Inc. and any of its employees or agents.
2. Georgia Southern Mortgage Group, Inc. shall not directly or indirectly transact business as a Georgia mortgage lender with any unlicensed "person," as defined by GRMA, unless the person is exempt from the licensing or registration requirements under O.C.G.A. § 7-1-1001. In any situation in which Georgia Southern Mortgage Group, Inc. co-brokers a residential mortgage loan for a consumer with another licensee, neither Georgia Southern Mortgage Group, Inc. nor its principal shall directly or indirectly accept fees for any service(s) rendered from an employee(s) of the licensee but shall only receive the fees due from the licensee itself.
3. Georgia Southern Mortgage Group, Inc. shall maintain a record of the license numbers or exemption status of any mortgage broker, mortgage lender, or mortgage loan originator with whom Georgia Southern Mortgage Group, Inc. conducts business. This includes verifying the status of mortgage broker,

mortgage lender and mortgage loan originator licenses as well as the entry of any final administrative actions on the Department's website (www.dbf.georgia.gov) and the Department's Mortgage Summary publication on a monthly basis.

4. Georgia Southern Mortgage Group, Inc. shall perform background checks for all new employees before or within ten days of their initial hire. All background checks of employees that handle Georgia residential loan transactions shall be processed by the Georgia Crime Information Center. No individual shall be employed by Georgia Southern Mortgage Group, Inc. if he or she is a first offender under sentence for the commission of a felony; entered a plea of nolo contendere to a felony; has been adjudicated without guilt for the commission of a felony; or, has entered a plea to or has been convicted of a felony for which an official certification or pardon has not been obtained that removes the legal disabilities resulting from such conviction and restores civil and political rights. Georgia Southern Mortgage Group, Inc. will perform background checks annually on all of its existing employees. Results of background checks shall be maintained in each employee's personnel file and provided to the Department upon request.

5. Georgia Southern Mortgage Group, Inc. shall calculate and make a written record of whether each residential loan it originates has points and fees of 5% or more under GAFLA.

6. Georgia Southern Mortgage Group, Inc. shall maintain a complete and current journal of Georgia residential mortgage loan transactions that shall comply with Department Rule 80-11-2-.03 and include, at a minimum, the following information:

- a. full names of proposed borrowers and co-borrowers and the last four digits of their social security number(s);
- b. application dates;
- c. names and Nationwide Mortgage Licensing System and Registry unique identifiers of loan officers responsible for loan applications whose names also appear on the applications; and,
- d. dispositions of the applications and the disposition dates.

Failure to make an entry, or an inaccurate entry, of any or all of this information to the mortgage loan transaction journal within seven (7) business days from the date of the occurrence of the event required to be recorded shall be deemed a failure to keep the journal current and a violation of this Consent Order.

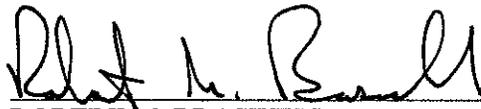
7. The Department shall withdraw the Notice of Intent to Revoke issued to Georgia Southern Mortgage Group, Inc. after entry of this Consent Order.

8. The Department shall withdraw the proposed Order to Cease and Desist issued to Gene Romeo after the entry of this Consent Order.

9. The terms of this Consent Order may be enforced by the Department pursuant to O.C.G.A. §§ 7-1-1017(g) and 7-1-1018(b).

10. The Consent Order shall be regarded as a public document that the Department may publish in the same manner as a final order of this agency.

SO ORDERED AND ENTERED, this 26th day of May 2010.



ROBERT M. BRASWELL
Commissioner
Georgia Department of Banking and Finance

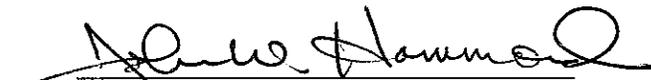
Consented to by:



Rod Carnes, Deputy Commissioner
Department of Banking and Finance
2990 Brandywine Road, Suite 200
Atlanta, Georgia 30341



Gene Romeo
900 Old Roswell Lakes Parkway, Suite 340
Roswell, Georgia 30076
In His Individual Capacity and As President of
Georgia Southern Mortgage Group, Inc.



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And Gene Romeo