

**STATE OF ARKANSAS
SECURITIES DEPARTMENT**

IN THE MATTER OF

**DREAM HOUSE MORTGAGE CORPORATION,
PROVIDENCE, RI**

ORDER NO. C-03-029-03-OR01

ORDER TO VACATE ORDER NO. C-03-029-03-CD01

Arkansas Securities Commissioner Michael B. Johnson, of the Arkansas Securities Department ("Department"), upon sufficient evidence presented to him, has reason to believe that Order No. C-03-029-03-CD01, issued September 3, 2003, should be vacated.

FINDINGS OF FACT

1. Cease and Desist Order and Revocation of Mortgage Loan Company Exemption from Registration Pursuant to Ark. Code Ann. § 23-39-306(a)(4) Order No. C-03-029-03-CD01 was issued September 3, 2003, due to the failure of **DREAM HOUSE MORTGAGE CORPORATION ("DREAMHOUSE")** to comply with the provisions of the Arkansas Mortgage Loan Company and Loan Broker Act, Ark. Code Ann. § 23-39-101, *et seq.*, (Supp. 1999) ("Act") and had thereby lost its exemption from registration pursuant to Ark. Code Ann. § 23-39-306(a)(1) which requires each mortgage loan company to deposit a \$35,000.00 corporate surety bond with the Commissioner.

2. On September 5, 2003, the Department received a letter sent via facsimile from **DREAMHOUSE** newly asserting that it was exempt from any surety bond requirement because it complied with Ark. Code Ann. § 23-39-306(a)(4) that states, in part, that "Any mortgage loan company which was approved to

participate in the United States Department of Veterans Affairs Loan Guaranty Program on or before July 1, 1997, shall be exempt from the registration, bond, and net worth requirements of this chapter so long as that mortgage loan company remains so approved to participate and is otherwise in compliance with the provisions of this chapter.” This letter attached proof of **DREAMHOUSE’s** approval and continued participation in the United States Department of Veterans Affairs Loan Guaranty Program before July 1, 1997. A subsequent letter from the Department of Veterans Affairs confirming this status was received on October 29, 2003.

3. **DREAMHOUSE** has been in continued compliance with the other provisions of the Act since **DREAMHOUSE’s** initial approval on March 31, 1997 by the Department as a mortgage loan company.

CONCLUSIONS OF LAW

4. The Commissioner is charged with the administration and enforcement of the Act pursuant to Ark. Code Ann. § 23-39-201.
5. **DREAMHOUSE**, as a mortgage loan company approved to participate in the United States Department of Veterans Affairs Loan Guaranty Program on or before July 1, 1997, and in continued compliance with the Act since March 31, 1997, is exempt from the surety bond requirement Ark. Code Ann. § 23-39-304(a)(1).

OPINION

6. This matter has been properly brought before the Commissioner in accordance with Ark. Code Ann. § 23-39-201.

7. This Order is in the public interest.

ORDER

IT IS THEREFORE ORDERED that Cease and Desist Order and Revocation of Mortgage Loan Company Exemption from Registration Pursuant to Ark. Code Ann. § 23-39-306(a)(4) Order No. C-03-029-03-CD01, issued September 3, 2003, be and is hereby vacated.

WITNESS MY HAND AND SEAL this 31st day of October, 2003.

A handwritten signature in black ink, appearing to read "M. Johnson". The signature is written in a cursive, flowing style.

MICHAEL B. JOHNSON

ARKANSAS SECURITIES COMMISSIONER