

BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO. C-09-056

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:

HOME SERVICING, LLC.
LICENSE NO. 34670

RESPONDENT

**REQUEST FOR REVOCATION OR SUSPENSION OF LICENSE
AND HEARING**

Comes now the Staff of the Arkansas Securities Department (“Staff”), by and through its attorney, Scott Freydl, and for its Request for Revocation or Suspension of License and Hearing, states:

Administrative Authority

This matter concerns the revocation or suspension of a license to conduct business as a mortgage banker and mortgage servicer pursuant to the Arkansas Fair Mortgage Lending Act (“FMLA”), Ark. Code Ann. §§ 23-39-501 through 23-39-518, and is therefore properly before the Arkansas Securities Commissioner (“Commissioner”).

Respondents

1. Home Servicing, LLC. (“Home Servicing”) is a mortgage banker and mortgage servicer located in Baton Rouge, Louisiana. Home Servicing, license number 34670, is currently licensed as a mortgage banker and mortgage servicer with the Arkansas Securities Department (“Department”). Home Servicing’s license as a mortgage banker and mortgage servicer is scheduled to expire on December 31, 2009.

Facts to be Presented by Securities Department Staff
Failure to file audited financial statement

2. The fiscal year of Home Servicing ended on December 31, 2008. Therefore, Home Servicing was required to file its audited financial statement with the Department by March 31, 2009.

3. The Staff contacted Home Servicing by telephone on June 9, 2009, and June 22, 2009, concerning the failure of Home Servicing to file its audited financial statement by the March 31, 2009, deadline. As of the date of the filing of this Request, Home Servicing has failed and refused to provide its required, audited financial statement to the Department.

4. Pursuant to Ark. Code Ann. §§ 23-39-514(a)(1) and (a)(2)(B) the Commissioner should suspend or revoke the Arkansas mortgage banker and/or mortgage servicer license of Home Servicing for failing and refusing to file its audited financial statement with the Department in violation of Ark. Code Ann. § 23-39-505(g)(1), Rule 5005-1 of the Fair Mortgage Lending Rules (“Rules”) and Commissioner’s Order number C-08-068-08-OR01. Specifically, Home Servicing should have filed its audited financial statement with the Department no later than March 31, 2009. In addition, the Commissioner should impose a civil penalty against Home Servicing that shall not exceed \$10,000.00 for each such violation under § 23-39-514(b)(1)-(2).

Legal Authority

5. The Arkansas FMLA states that each applicant for licensure as a mortgage banker and/or mortgage servicer shall file with the Commissioner as part of his, her or its application an audited financial statements that reflect that the applicant has a net worth of at least twenty-five thousand dollars. Ark. Code Ann. § 23-39-505(g)(1).

6. Rule 5005-1 of the Rules states each applicant for initial licensure or renewal of a license as a mortgage banker and/or mortgage servicer shall file an audited financial statement with the Commissioner.

7. By Order number C-08-068-08-OR01, titled In The Matter of Arkansas Fair Mortgage Lending Act, Ark. Code Ann. §§ 23-39-517(a) through (c), and §§ 23-39-518(a) through (e) the Commissioner ordered that a mortgage banker and/or mortgage servicer must file an audited financial statement directly with the Arkansas Securities Department or through the Nationwide Mortgage Licensing System within ninety days of the end of the mortgage banker's and/or mortgage servicer's fiscal year.

8. The Commissioner may by order deny, suspend, revoke, or refuse to issue or renew a license of a licensee or applicant if the Commissioner finds that the order is in the public interest and the licensee, or any loan officer or managing principal has violated or failed to comply with any provision of the FMLA. Ark. Code Ann. §§ 23-39-514(a)(1) and (a)(2)(B).

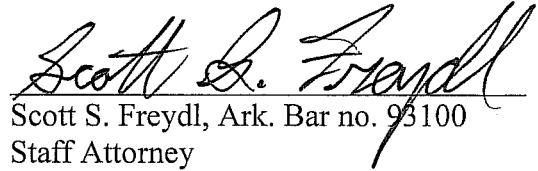
9. The Commissioner by order may impose a civil penalty that shall not exceed \$10,000.00 for each violation by a mortgage banker and/or mortgage servicer upon a licensee or any partner, officer, director, member, manager, or other person occupying a similar status or performing a similar function on behalf of a licensee for any violation of the FMLA. Ark. Code Ann. §§ 23-39-514(b)(1) and (2).

Summary

For the reasons set forth herein, the Staff requests that a hearing be held to consider whether the Arkansas mortgage banker and mortgage servicer license of Home Servicing should be suspended or revoked, as well as the imposition of a reasonable fine, for Home Servicing's

failure and refusal to file its audited financial statement with the Department in violation of Ark. Code Ann. § 23-39-505(g)(1), Rule 5005-1 of the Rules and Commissioner's Order number C-08-068-08-OR01.

Respectfully Submitted,



Scott S. Freydl, Ark. Bar no. 93100

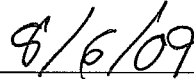
Staff Attorney

Arkansas Securities Department

201 East Markham Street, Suite 300

Little Rock, Arkansas 72201

Telephone: (501) 324-9266



Date