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**BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO C-11-0277**

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ARKANSAS SECURITIES DEPT.

**IN THE MATTER OF:
US DOC PREP, LLC**

RESPONDENT

REQUEST FOR CEASE AND DESIST ORDER

The Staff of the Arkansas Securities Department (“Staff”) received information and has in its possession certain evidence that indicates US Doc Prep, LLC (“US Doc Prep”) has violated provisions of the Arkansas Fair Mortgage Lending Act (“FMLA”), Ark. Code Ann. §§ 23-39-501 through 23-39-518 and the Rules of the FMLA (“Rules”).

Administrative Authority

1. This matter is brought in connection with violations of sections of the Arkansas FMLA and Rules and is therefore properly before the Arkansas Securities Commissioner (“Commissioner”) in accordance with Ark. Code Ann. § 23-39-514(d).

Respondent

2. US Doc Prep is a business entity that has its main office in Newport Beach, California. US Doc Prep has never been licensed under the FMLA in Arkansas in any capacity.

Facts Supporting Request for Cease and Desist Order

3. On March 11, 2011, Arkansas resident one (“AR1”) received a telephone call from an employee of US Doc Prep, Kevin Kelsey (“Kelsey”), concerning a modification of the terms of AR1’s residential mortgage loan. AR1’s residence is located in Lowell, Arkansas. Kelsey promised to reduce the interest rate on AR1’s mortgage loan from 5.8% down to 3.8%. Kelsey collected confidential financial information from AR1, so Kelsey could see if AR1 qualified for a federal program called Homes Affordable Modification Program (“HAMP”). Within one hour

of the first telephone call, Kelsey called AR1 again. Kelsey said that AR1 paid out more than what AR1 brought in, and AR1 automatically qualified for HAMP. Later, AR1 contacted the bank holding AR1's mortgage loan. An employee of this bank told AR1 that AR1 did not meet the financial requirements and would not qualify for HAMP.

4. Based on the telephone conversation with the employee of the bank holding AR1's mortgage loan, AR1 decided not to use US Doc Prep to modify the terms of AR1's mortgage loan. AR1 told Kelsey about this decision.

5. AR1 did not voluntarily pay any advanced fee to US Doc Prep. However, US Doc Prep used information about AR1's checking account, which had been obtained by Kelsey, to create a payment instrument. This payment instrument in the amount of \$595.00 was intended to appear that it was issued by AR1 to US Doc Prep. This unauthorized check, which was presented for payment by US Doc Prep to AR1's bank, represented an advanced fee that US Doc Prep was attempting to charge to and collect from AR1. Although US Doc Prep never modified the terms of AR1's mortgage loan, US Doc Prep never refunded or returned any part or portion of the fraudulently obtained \$595.00 advance fee to AR1. However, after reviewing this transaction, AR1's bank refunded said amount to AR1.

6. Copies of pages from the website for US Doc Prep are attached hereto as Exhibit 1. These pages from the US Doc Prep website make it clear that US Doc Prep is offering to modify the terms of residential mortgage loans for consumers.

Applicable Law

7. Rule 5003-3(c)(1) of the Rules states that a person offering or negotiating loan modification services is, at least at a minimum, indirectly acting as a loan officer. Therefore, any person who directly or indirectly solicits, accepts, or negotiates; or offers or attempts to solicit,

accept, or negotiate loan modifications for a borrower; and receives compensation or gain is required to be licensed as a loan officer.

8. Rule 5003-3(c)(2) of the Rules states that any person who directly supervises individuals who solicit, or negotiate; or offer or attempt to solicit, accept, or negotiate loan modifications for compensation or gain are required to be licensed as mortgage brokers.

9. Ark. Code Ann. § 23-39-503(b) states that it is unlawful for any person other than an exempt person to act or attempt to act, directly or indirectly, as a mortgage broker, mortgage banker, loan officer, or mortgage servicer with any person located in Arkansas without first obtaining a license from the commissioner under the Arkansas FMLA.

10. Ark. Code Ann. § 23-39-503(c) states that it is unlawful for any person to employ, to compensate, or to appoint as its agent any person to act as a loan officer, unless the loan officer is licensed as a loan officer with the Department under the FMLA.

11. Ark. Code Ann. § 23-39-513(4) states that it is unlawful for any person other than an exempt person to pay, receive, or collect, in whole or in part, any commission, fee, or other compensation for brokering a mortgage loan in violation of this subchapter, including a mortgage loan brokered or solicited by any unlicensed person other than an exempt person.

12. Ark. Code Ann. § 23-39-514(d) states that upon finding that any action of a person is in violation of the Arkansas FMLA, the Commissioner may summarily order the person to cease and desist from the prohibited action.

Conclusions of Law

13. As detailed in paragraphs three through five, US Doc Prep violated Ark. Code Ann. § 23-39-503(b) one time when it solicited and attempted to act as a mortgage broker for AR1 without first being licensed under the Arkansas FMLA.

14. As detailed in paragraphs three through five, US Doc Prep violated Ark. Code Ann. § 23-39-503(c) one time when it allowed its employee to act as a mortgage loan officer for AR1 without first being licensed as a mortgage loan officer under the FMLA.

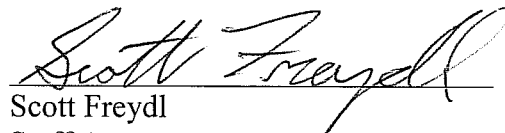
15. As detailed in paragraphs three through five, US Doc Prep violated Ark. Code Ann. § 23-39-513(4) one time when it collected advanced fees in the total amount of \$595.00 from AR1 for offering to renegotiate the terms of AR1's mortgage loan without first being licensed as a mortgage broker under the FMLA.

16. The conduct, acts, and practices of US Doc Prep and its employee threaten immediate and irreparable public harm. A cease and desist order is in the public interest and is appropriate pursuant to Ark. Code Ann. § 23-39-514(d).

Prayer for Relief

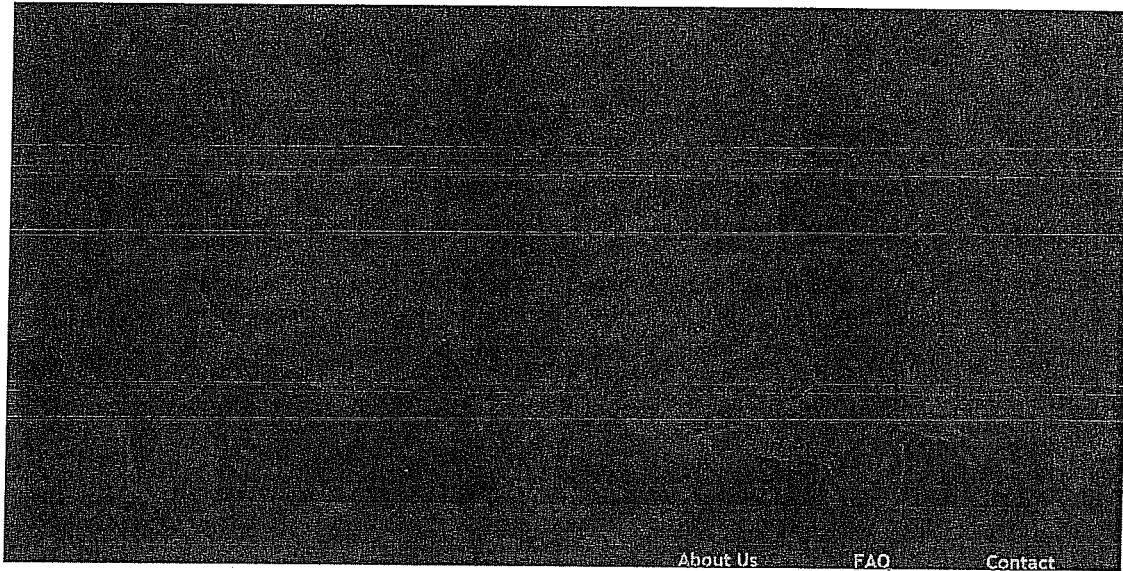
WHEREFORE, the Staff respectfully requests that the Commissioner order US Doc Prep and its employees to immediately CEASE AND DESIST from acting or attempting to act as a mortgage broker and/or loan officers in the State of Arkansas until it and they are properly licensed under the Arkansas FMLA; and, for all other relief to which the Staff may be entitled.

Respectfully submitted,



Scott Freydl
Staff Attorney
Arkansas Securities Department

5/13/11
Date



Services

US Doc Prep is your gateway for hiring and consulting real estate and legal experts for a variety of issues. Our team consists of real estate professionals who are experts in various areas relating to home loans, mortgages, bankruptcy, foreclosure and more.

This website is the virtual aggregation of our team members who are individual successful lawyers and are amongst the best in their own fields of expertise. These experts are from many different places that span the entire United States of America. They bring with them decades of experience and a long history of success in the field of real estate and home loans.

We provide services and offer solutions in the following areas: -

- **Loan Modification** □ This is an arrangement between the creditor and the debtor whereby permanent changes are made to the terms and conditions of the home loan. This helps the debtor repay the loan in its entirety without defaulting.
- **Short Sale** □ US Doc Prep will also help you by providing you with short sale solutions. Short sale is the situation where the debtor is allowed by the creditor or the lending institution to repay the loan by paying less than what is actually owed. This is done by selling the property at a price that is not equivalent to the amount of principal owed and is lower than the owed amount.
- **Financing Options** □ We provide our clients with information regarding various home financing options, based on their individual situations. Financing is an area that is prone to legal complications. With our services, we ensure that the financing goes through as smoothly as possible. This includes our lawyers forming and viewing legal contracts between the client and a third-party, so that the interests of the client are preserved.
- **Bankruptcy** □ This is a serious situation where the individual is declared as unable to repay the creditor by any means. This is a formal declaration by either the creditor (involuntary bankruptcy) or by the debtor (voluntary bankruptcy). There are several laws that rule over bankruptcy.
- **Reinstatement** □ This is a procedure by which a defaulter can appeal for repaying the defaulted payments to make the loan current or to reinstate the loan. The lender has the sole discretion for granting this and it is granted only when the debtor has the necessary proof of funds.

- **Foreclosure** □ This is a situation in which the defaulting mortgagor loses his/her real estate property to the lender. The lender then sells the property to recover the remaining principal amount.

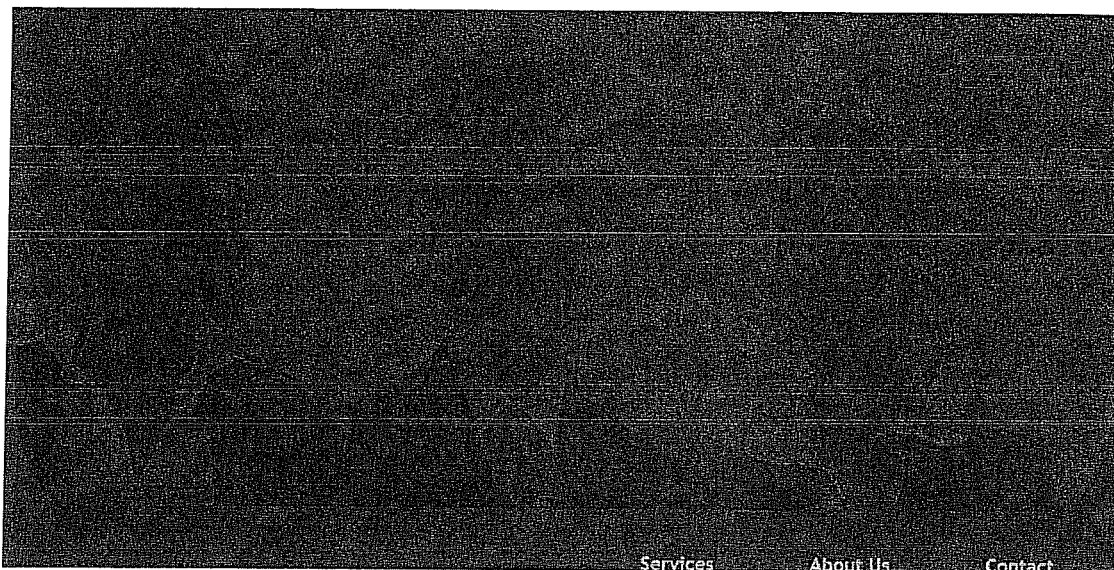
□
Our team will help you make sure that your transactions stay legal and they will act in your interest to clear any dispute or complication. Our team has a long history of success with real estate related cases and we will use the full range of our decades worth of expertise to win the case in your favor. So contact our team today and make your future more secure.

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Frequently Asked Questions

What is a Loan Modification?

In simplest terms, a loan modification restructures the terms of a loan without actually refinancing the property it secures. Investopedia defines a loan modification as an agreement between the lender and the borrower which stipulates a long term relief from untenable loan terms. Modification of a loan applies to the terms governing the interest rate, the amount of the monthly payment, and in some cases also the length of the loan. Skilled home modification certified foreclosure consultants work on behalf of borrowers with their lenders to achieve the relief of a home loan modification via drastically reduced mortgage payments. [Get Help - Save Your Home!](#)

Are you a good candidate for Loan Modification?

Any homeowner currently stuck with an adjustable rate mortgage that has been or will be adjusting upwards is a premier candidate for loan modification. Millions of Americans were lured into signing up for interest only mortgage loans and while initially the loan was low and affordable, the double impact of rising interest rates and the inclusion of principal into the payment have caused borrowers to see their payments double or even triple!

Remember if you wait too long you may be ineligible for a loan modification program. Do not wait until your ARM or Interest-Only Loan resets again but instead act as soon as you realize that your financial situation is putting you at risk for foreclosure. Act Now!

What happens during a Loan Modification?

During a loan modification the terms of your mortgage are renegotiated to bring the interest rate down to a percentage that fits into your budget and the monthly payment no longer presents a severe strain on your ability to meet your other financial obligations.

What is a Principal Reduction?

Principal Reduction is the actual decrease of a borrower's total loan amount. A Principal Reduction can be used sometimes to bring down a borrower's payments when traditional loan modification tactics do not offer enough relief. Principal Reductions are very hard to get from the lender but do happen from time to time if a lender really wants to prevent foreclosure and help the borrower.

Can I get a Principal Reduction?

The answer to this question is maybe. Principal reductions are very rare and cannot be counted on in most loan

modifications. However, they do happen sometimes and they are becoming increasingly more apparent as the traditional loan modifications where the lender only reduces the rate continue to have high re-delinquency rates. Our specialists know how helpful a Principal Reduction can be and they try to achieve one on every single modification they do. Please remember though that these Principal Reductions are still very rare and difficult to get and the vast majority of modifications do not include them.

Why don't I simply ask my lender for a Loan Modification myself?

You definitely can, but the numbers show, it is very difficult. It would be great if borrowers and lenders had the ability to negotiate loan modifications, but the problem is twofold; first, many lenders simply lack well trained loan officers, who know how to negotiate, and set up a loan modification. Secondly, some lenders are more interested in the profitability of their loans, and there are instances when it is more profitable for the lender to foreclose and take back the house than it is to modify the existing loan and keep that customer on the books for a long period of time. In both cases, it is the involvement of the certified foreclosure consultants that provide borrowers with the results they desire. However, it should be noted that you can try to negotiate a loan mod by yourself.

Is Loan Modification similar to Debt Consolidation or Refinancing?

The answer is a resounding no. Debt consolidation seeks to lump a group of unsecured debts into either a loan or a program that offers lower payments. It does not apply to mortgages. Refinancing a home requires the borrower to apply for a new mortgage for the home and as such will require a down payment, an appraisal, and a lot of fees for the lender. This is often not an affordable solution for a borrower who is already stretched to the max with the current mortgage payment and the existence of an adjustable rate mortgage that eats up a lot of the available funds on a monthly basis may actually be held against the applicant and thus causes the refinance application to be denied. Loan modification seeks to restructure an existing loan.

What is needed from me to get the process started?

Documents relating to your financial situation, income, and mortgage details help certified foreclosure consultants to draft the papers your lender requires for a need based loan modification approval. Upon receipt, the terms of the mortgage are renegotiated to reflect a lower monthly payment. Best of all, the paperwork is handled in its entirety by the professionals in charge of negotiating the deal and you are not required to attend a closing or any such meeting.

How long is the Loan Modification process?

You may see relief in as little as 60-120 days. You might even be able to put missed payments on the back end of the loan. In the meantime, lenders are amenable to halting foreclosure proceedings. Since the majority of reputable lenders prefer to have you remain a customer for life, rather than selling your house at a loss and thus not realizing the profits from the interest payments, the process is usually not delayed too long.

What are typical success rates?

Our success rate is stellar and our commitment to our clients is unwavering. With several professional and ethical companies forming our network of loan modification servicing firms, your loan modification is in good hands and within 60 to 120 days you may be back on the road to fiscal health and keeping your home.

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