# STATE OF ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

In the Matter of Loan Originator License of:

YESSENIA DENNISE LOPEZ, Arizona Loan Originator License No.  No. 19F-BD009-BNK

ORDER

### Respondent.

On July 31, 2019, the Office of Administrative Hearings through Administrative Law Velva Moses-Thompson issued an Administrative Law Judge Decision ("Recommended Decision") received by the Interim Superintendent of the Department of Financial Institutions ("Superintendent") on July 31, 2019, a copy of which is attached and incorporated by reference. The Superintendent has reviewed the Recommended Decision and enters the following:

- 1. The Superintendent adopts the Recommended Findings of Fact and Conclusions of Law, except to correct the following:
  - a. Page 1, paragraph 1: On May 16, 2019, the Arizona Department of Financial Institutions ("Department") issued a Notice of Hearing setting the above-captioned matter for hearing at 9:00 a.m. on July 11, 2019.
  - b. Page 1, paragraph 2: The Notice of Hearing provided that the hearing issue was, "whether grounds exist to suspend or revoke Respondent's loan originator license; to order any other remedy necessary or proper for the enforcement of statutes and rules regulating loan originators in Arizona under A.R.S. §§ 6-123 and 6-131; and, if needed, to impose upon Respondent a civil money penalty under A.R.S. § 6-132." The Notice of Hearing also provided, "NOTICE OF HEARING AND COMPLAINT TO REVOKE LOAN ORIGINATOR LICENSE OF YESSENIA DENNISE LOPEZ OR IN THE ALTERNATIVE A PERMANENT PROHIBITION FROM PARTICIPATING IN THE AFFAIRS OF ANY FINANCIAL INSTITUTION OR ENTERPRISE."
  - c. Page 2, paragraph 4: At hearing, the Department presented the testimony of Nicole

Abraham, Senior Vice President of Academy Mortgage, Richard **Fergus**, Senior Examiner at the Department, and Jessica Padilla, a former employee of Academy Mortgage. The Department submitted exhibits 1 through 39.

- d. Page 2, paragraph 6: At all relevant times, Respondent Yessenia Dennise Lopez worked as a loan originator for Academy Mortgage Corporation ("Academy Mortgage").

  Academy mortgage is a licensed mortgage banker in the state of Arizona.
- e. Page 2, paragraph 10. On November 29, 2017, an Academy Mortgage underwriter informed Ms. Lopez that the Villalba application was suspended due to missing payment information. Later that day, Ms. Lopez sent and electronic mail message (e-mail) to Mr. Hamed and Mr. Ayala and requested that they review the problems related to missing car payments, bank statements, and evidence of Christian's age.
- f. Page 3, paragraph 17: On December 28, 2017, an Academy Mortgage representative inspected Hamed's former office and discovered among the items left in his desk a to-be-completed list from Lopez to Hamed requesting Hamed's assistance as to the missing car payments and a "[b]irth certificate for **Michael** to be fixed to show 3 yr continuance.
- g. Page 4, paragraph 20: On or about November 15, 2017, Academy Mortgage began preparing a mortgage loan file for **Beltran**.
- 2. The Superintendent orders that Yessenia Dennise Lopez is immediately suspended from participating in any of the affairs of a financial institution or enterprise for a period of **five** years.
- 3. The Superintendent orders Yessenia Dennise Lopez to pay to the Department of Financial Institutions, within fifteen (15) days of the effective date of the Order, a civil money penalty in the form of a cashier's check or money order made payable to the Department of Financial Institutions in the amount of three thousand dollars (\$3,000.00).

### NOTIFICATION OF RIGHTS

Pursuant to Arizona Revised Statutes ("A.R.S.") § 41-1092.09, Respondent may request a

rehearing or review with respect to this Order within 30 days after the date this Order has been served on Respondent. A rehearing or review of the Order is requested by serving on the Superintendent a written motion that specifies the grounds upon which the motion is based. Pursuant to A.R.S. § 41-1092.09, it is not necessary to request a rehearing before filing an appeal to Superior Court. Respondent may appeal the Superintendent's final decision to the Superior Court of Maricopa County for judicial review pursuant to A.R.S. §§ 6-139, 12-904 and 41-1092.08(H). DATED this 13th day of August, 2019. Keith A. Schraad, Interim Superintendent Arizona Department of Financial Institutions COPY of the foregoing EMAILED and MAILED same date by U.S. First Class Certified Mail w/Return Receipt Requested, article/tracking number: 7009 2250 0001 3651 9473 this 13 day of Hugust 2019, to: Yessenia Dennise Lopez Respondent **COPY** of the foregoing electronically filed, same date, to: Velva Moses-Thompson, Administrative Law Judge Office of Administrative Hearings 1740 West Adams Street, Lower Level

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Phoenix, Arizona 85007

## Order; 19F-BD009-BNK Continued

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1	COPY of the foregoing sent by electronic mail, same date, to:
2	Keith A. Schraad, Interim Superintendent Gabriela Macias, Division Manager
3	Attn: Ana Starcevic
4	Arizona Department of Financial Institutions 100 North 15 <sup>th</sup> Ave., Suite 261
5	Phoenix, Arizona 85007 astarcevic@azdfi.gov
6	Roberto Pulver, Assistant Attorney General
7	Attn: Teresa Carranza Office of the Attorney General
8	2005 South Central Avenue
9	Phoenix, Arizona 85004 AdminLaw@azag.gov
10	Roberto.Pulver@azag.gov Attorney for the Department
	Anorney for the Department
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29 30 In the Matter of the Loan Originator License of

YESSENIA DENNISE LOPEZ, Licensed Loan Originator, holder of License Number 09466535.

Respondent.

No. 19F-BD009-BNK

ADMINISTRATIVE LAW JUDGE DECISION

**HEARING:** July 11, 2019

<u>APPEARANCES</u>: Respondent Yessenia Dennise Lopez did not appear.

Assistant Attorney General Roberto Pulver appeared on behalf of the Arizona

Department of Financial Institutions.

ADMINISTRATIVE LAW JUDGE: Velva Moses-Thompson

- On January 28, 2019, the Arizona Department of Financial Institutions, (Department), issued a Notice of Hearing setting the above-captioned matter for hearing at 9:00 a.m. on July 11, 2019.
- 2. The Notice of Hearing provided that the hearing issue was, "whether grounds exist to suspend or revoke Respondent's loan originator license; to order any to her remedy necessary or proper enforcement of statutes and rules regulating loan processors in Arizona under A.R.S. §§ 6-123 and 6-131; and if needed, to impose upon Respondent a civil money penalty under A.R.S. § 6-132." The Notice of Hearing also provided, "NOTICE AND HEARING AND COMPLAINT TO REVOKE LOAN ORIGINATOR LICENSE OF YESSENIA DENNISE LOPEZ OR IN THE ALTERNATIVE A PERMANENT PROHIBITION FROM PARTICIPATING IN THE AFFAIRS OF ANY FINANCIAL INSTITUTION OR ENTERPRISE."
  - 3. A hearing was held on July 11, 2019.

 4. At hearing, the Department presented the testimony of Nicole Abraham, Senior Vice President of Academy Mortgage, and Richard Burgess, Senior Examiner at the Department. The Department submitted exhibits 1 through 39.

fergus

5. Respondent did not request to appear telephonically at the hearing or that the

hearing be continued. Although the duly noticed hearing lasted for approximately one hour and fourteen minutes, Respondent did not appear, personally or through an attorney. Consequently, Respondent did not present any evidence.

- 6. At all relevant times, Respondent Yessenia Dennise Lopez worked as a loan originator for Academy Mortgage Corporation ("Academy Mortgage"). Academy Mortgage was a licensed mortgage broker in the state of Arizona.
- 7. In January of 2018, the Department was informed by Academy Mortgage that it suspected that Ms. Lopez and other employees located at the Williams Circle office in Tucson, Arizona, engaged in illegal and improper business practices to help mortgage applicants qualify for loans. At all times relevant to this matter, Nabel Mohamed Hamed supervised Ms. Lopez. Fernando Ayala was the manager for the Williams Circle office.
- 8. The Department conducted an investigation into the alleged illegal activity.

The Department found that Ms. Lopez was engaged in the improper business practice of altering and forging documents in connection with seven different mortgage loan applications from October 2017 to January 2018.

- 9. On or about November 14, 2017, Academy Mortgage began processing a loan application for Villalba. Mr. Ayala was the loan originator assigned to the Villalba file.
- 10. On or about November 28, 2017, an Academy Mortgage underwriter informed Ms. Lopez, Mr. Hamed, and Mr. Ayala that the Villalba application was suspended due to missing payment information. Later that day, Ms. Lopez sent an electronic mail message (e-mail) to Mr. Hamed and Mr. Ayala and requested that they

review the problems related to missing car payments, bank statements, and evidence of Christian's age.

- 11. On December 1, 2017, at 5:07 p.m. Mr. Hamed sent an email to Ms. Lopez and Mr. Ayala which provided, "can you send me the birth certificate please."
- 12. On December 1, 2017, at 5:10 p.m., Ms. Lopez sent an email to Mr. Hamed attaching Christian's birth certificate which showed that Christian was born on February 28, 2000.
- 13. On December 4, 2017, Mr. Ayala uploaded into the Villalba file a birth certificate which showed that Christian was born on February 28, 2010.
- 14. On December 4, 2017, Ms. Lopez sent an email to Mr. Hamed regarding the Villalba file which provided, "forgot reserves sorry!"
- 15. On December 6, 2017, Ms. Lopez sent an email to Mr. Hamed and another employee which provided, "Reserves attached file is ready for final. All other conditions In [sic] unassigned." The attachment was a bank statement from Academy Bank showing that Villalba's ending checking balance was \$8,804.51. The second employee uploaded the bank statement into the Villalba file on December 6, 2017.
- 16. On December 21, 2017, Academy Mortgage provided a residential mortgage loan to Villalba.
- 17. On December 28, 2017, an Academy Mortgage representative inspected Mr. Hamed's former office and discovered among the items left in his desk to-be-completed list from Mr. Lopez to Mr. Hamed requesting Mr. Hamed's assistance as to the missing car payments and a "birth certificate for Michal to be fixed to show 3 yr continuance."
- 18. Ms. Abraham explained at hearing that child support income must continue for at least three years to be considered countable income to qualify for a mortgage loan.
- 19. An Academy Mortgage representative contacted Academy Bank to verify that Villalba had an account with Academy Bank. Academy Bank informed Academy Mortgage that Villalba did not have an account at the bank.

- 20. On or about November 15, 2017, Academy Mortgage began preparing a mortgage loan file for Beltram. Gustavo Molina was the assigned loan originator for the Beltran file.
- 21. On or about December 5, 2017, Ms. Lopez sent an email to Mr. Hamed, copying Mr. Ayala, expressing that she needed assistance with several pending applications.
- 22. Mr. Hamed responded asking whether Beltran had an award letter. Ms. Lopez replied, "No." Mr. Hamed responded, "She needs \$2,500?"
- 23. On December 6, 2017, Mr. Molina uploaded a social security letter into the Beltran file which stated that Beltran would receive a monthly payment of \$2,561 from social security. The letter contained a typographical error which would not be found in an authentic social security letter.
  - 24. Academy Mortgage subsequently provided a mortgage loan to Beltran.
- 25. On December 28, 2017, Academy Mortgage representatives inspected Mr. Hamed's former office and discovered a handwritten note which provided,: "Diane Beltran: SSI- \$2,500 or so, Assets \$15K plus." with a check mark over each item.
- 26. In January of 2018, an Academy Mortgage representative reviewed Beltran's Internal Revenue Service Wage and Income Transcript which showed that Beltran did not claim or disclose a social security benefit as income.
- 27. In the course of its investigation, the Department discovered that Ms. Lopez submitted false information to deceive Academy Mortgage into providing a mortgage loan to an applicant named Campbell. The Department discovered that Ms. Lopez, with the assistance of Mr. Harmed, created a forged account statement for a loan applicant. The Department discovered that Ms. Lopez engaged in improper business practices while working for Academy Mortgage.
- 28. The Department contended that the facts outlined in its Notice of Hearing and Complaint be deemed true and admitted by Ms. Lopez because she failed to file an answer within 20 days of the date of service and notice of the complaint.

### **CONCLUSIONS OF LAW**

- 1. The Superintendent has jurisdiction over Respondent and the subject matter in this case.
- 2. Pursuant to Arizona Revised Statutes (A.R.S.) § 41-1092,07(G)(2) and A.A.C. R2-19-119(B), the Department has the burden of proof in this matter. The standard of proof is by a preponderance of the evidence. See A.A.C. R2-19-119(A).
- 3. The preponderance of the evidence shows that Respondent concealed material facts to Academy Mortgage and other third-parties engaged in providing residential mortgage loans to Arizona consumers, which is a violation of A.R.S. § 6-991.02(I) and (K).
- 4. The preponderance of the evidence shows that Respondent is not a person of honesty, truthfulness or good character, which is a violation of A.R.S. § 6-991.05 (A)(1).
- 5. The preponderance of the evidence shows that Respondent violated A.R.S. § 6-991.05(A)(2), which constitutes grounds to revoke her loan originator license.
- 6. The Department is authorized to impose a civil penalty of not more than \$5,000.00 for each violation for each day.
- 7. Based on the specific circumstances, the Administrative Law Judge believes that a \$3,000.00 civil penalty is appropriate for Ms. Lopez's misconduct.

### ORDER

IT IS ORDERED that Yessenia Denisse Lopez is immediately suspended from participating in any of the affairs of a financial institution or enterprise for a period of five years.

IT IS FURTHER ORDERED, within 15 days of the effective date of the Order entered in this matter, Yessenia Dennise Lopez shall pay to the Department a civil penalty in the amount of \$3,000.00, and such payment shall be made by cashier's check or money order made payable to the Department.

In the event of certification of the Administrative Law Judge Decision by the Director of the Office of Administrative Hearings, the effective date of the Order shall be five days from the date of the certification.

Done this day, July 31, 2019.

/s/ Velva Moses-Thompson Administrative Law Judge

Transmitted electronically to:

 Keith A. Schraad, Interim Director Arizona Department of Financial Institutions