

State of Arizona Department of Financial Institutions



“AZDFI”

May 7, 2008

presented to:

Kingman, Arizona

Felecia Rotellini, Superintendent

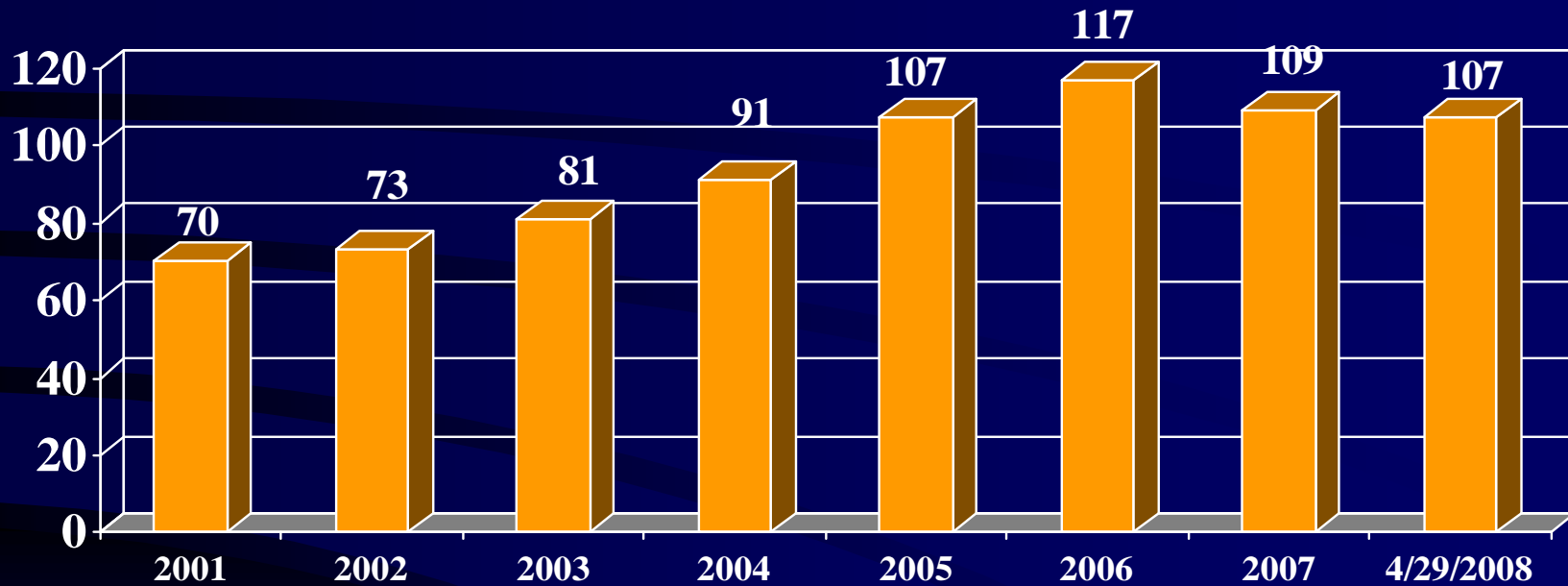
Mortgage Lending Industry

- Commercial Mortgage Bankers—**14**
- Escrow Agents—**107**
- Mortgage Bankers—**435**
- Mortgage Brokers—**1,508**

All Licenses Current as of April 29, 2008

AZDFI Growth Home Offices

Escrow Agent



Yearly Average Increases:

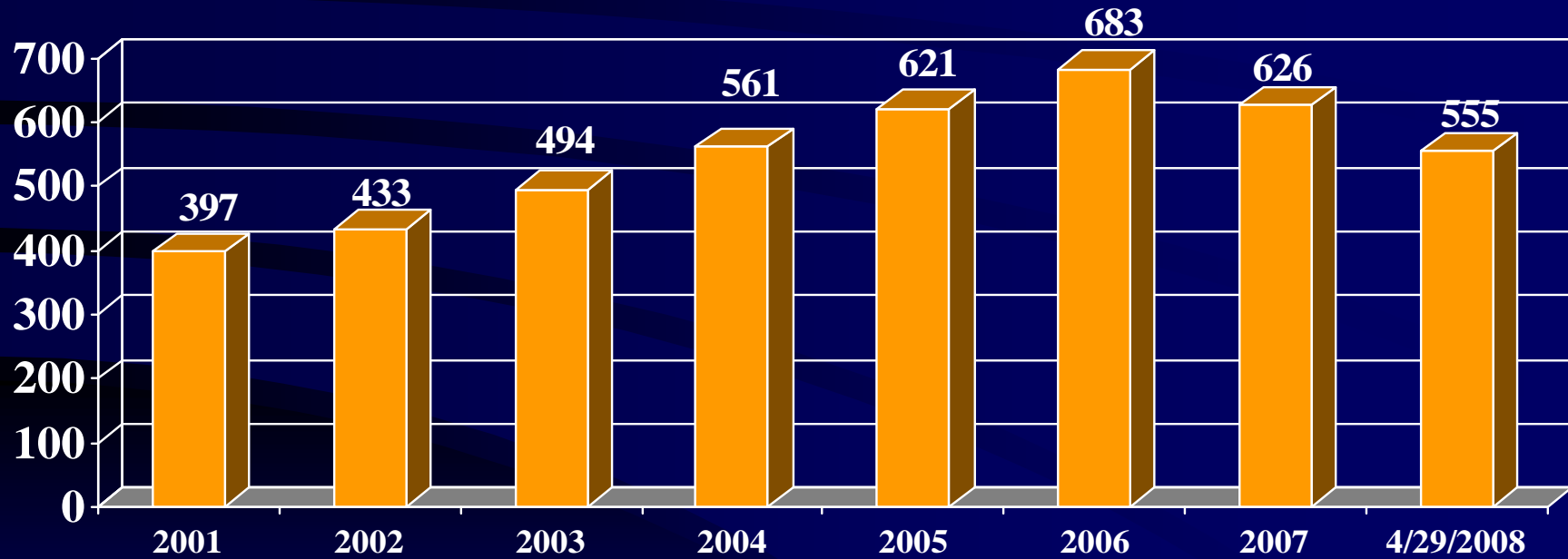
2001-02 4.29% 2002-03 10.96% 2003-04 12.35% 2004-05 17.58%

2005-06 9.35% 2006-07 -7.34% 2007-present -1.87

Overall Increase from 2001 to Present: 52.86%

AZDFI Growth Branch Offices

■ Escrow Agent

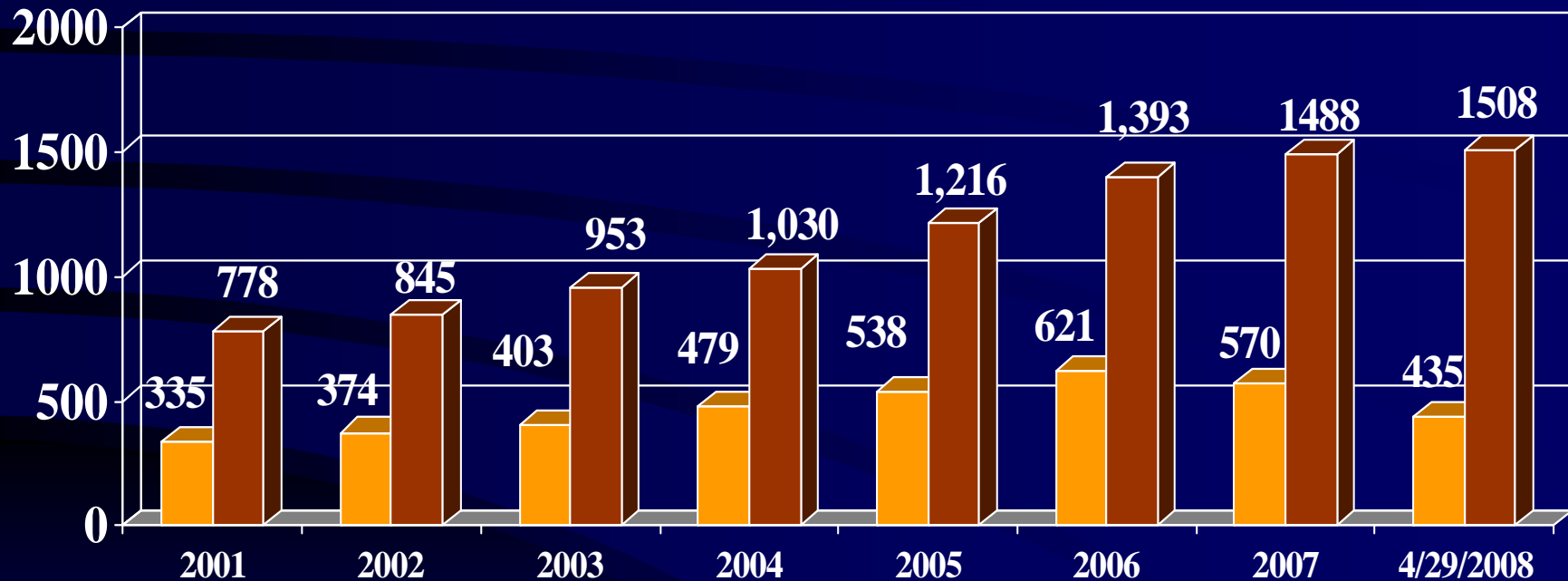


Increase of Branch licenses from 2001 to 2006 = 72.04%

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Growth Home Offices

■ Mortgage Banker (BK) ■ Mortgage Broker (MB)



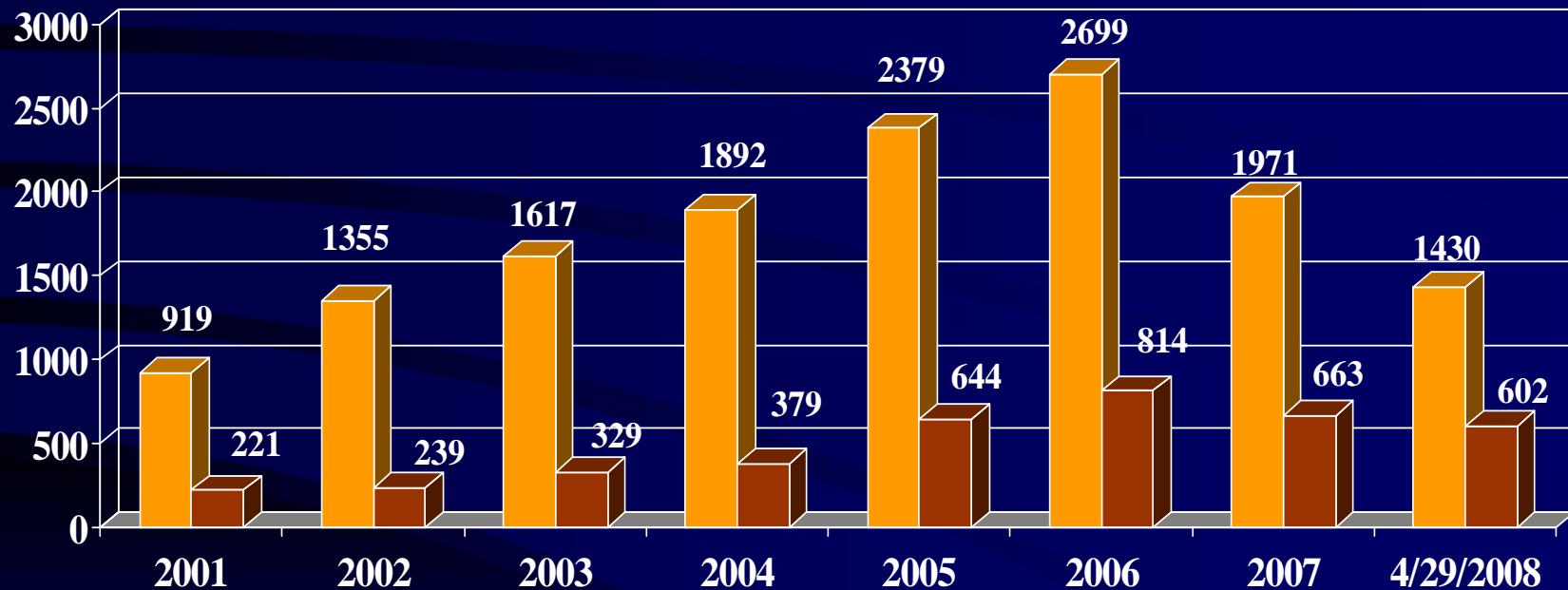
Increase of Mortgage Broker Licensees from 2001 to 2008 = 93.83

Increase of Mortgage Banker Licensees from 2001 to 2006 = 85.37

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Mortgage Broker and Mortgage Banker Branches

■ Mortgage Banker (BK) ■ Mortgage Broker (MB)

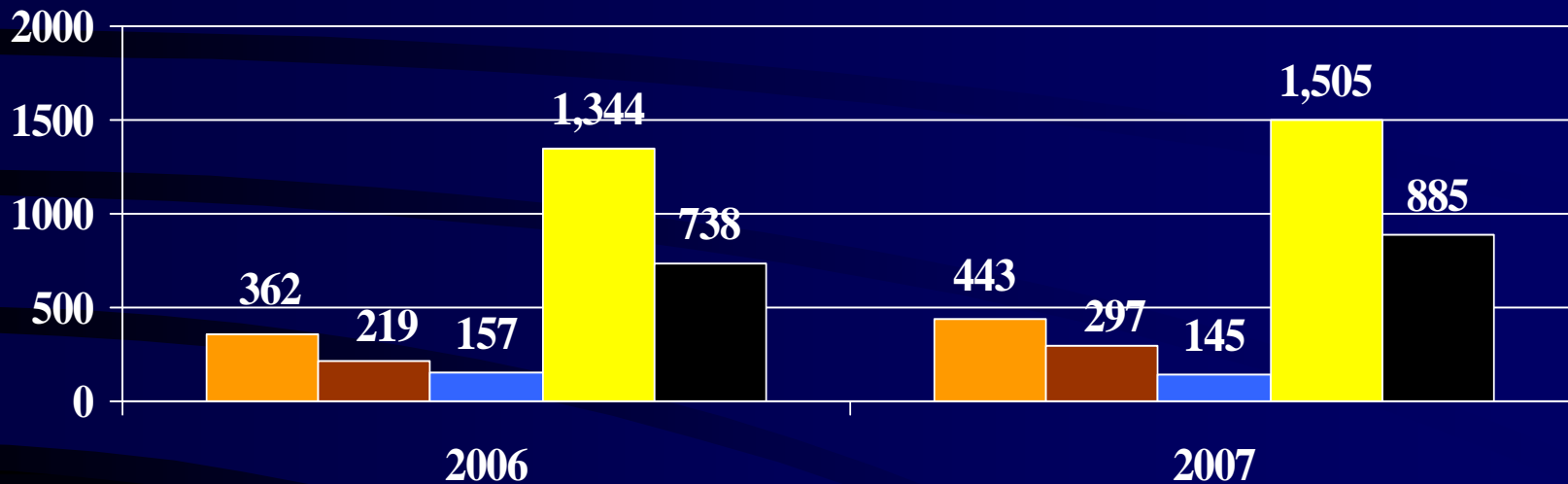


Combined Total Home Offices and Branches for Bankers and Brokers:

12/31/2001 2,253

4/28/2008 3,975

2006 and 2007 DFI Complaints



In 2006, 55 % of All DFI Complaints involved Escrow Agents, Mortgage Bankers and Mortgage Brokers

In 2007, 59% of All DFI Complaints involved Escrow Agents, Mortgage Bankers and Mortgage Brokers

Mortgage Fraud Task Force

Objectives:

- To prevent duplicative efforts involving the same “targets”
- To utilize resources of different agencies
- To utilize and maximize expertise and skills of all agencies
- To pursue administrative action, removal, and the prosecution of bad actors

Mortgage Fraud Task Force

State Agencies:

- Arizona Department of Financial Institutions
- Arizona Health Care Cost Containment System
- Arizona Attorney General's Office
- Arizona Department of Real Estate
- Arizona Board of Appraisal
- Arizona Department of Housing
- Arizona Corporation Commission
 - Securities Division

Mortgage Fraud Task Force

Local Law Enforcement Agencies

- Maricopa County Attorney's Office
- Maricopa County Sheriff's Office
- Phoenix Police Department
- Mesa Police Department
- Scottsdale Police Department
- Glendale Police Department

Mortgage Fraud Task Force

Federal Agencies

- U.S. Attorney's Office
- U.S. Trustee's Office
- Federal Bureau of Investigation
- Internal Revenue Service Criminal Investigation Division
- U.S. Department of Housing and Urban Development (HUD)
Office of Inspector General
- Department of Homeland Security
- Immigration and Customs Enforcement - ICE
- Freddie Mac
- U.S. Postal Office

A.R.S. § 13-2320 Residential Mortgage Fraud

Class 4 Felony

An offense involving residential mortgage fraud

Class 2 Felony

A pattern of residential mortgage fraud or conspiracy to engage or participate in a pattern of residential mortgage fraud

DFI refers mortgage fraud cases for criminal prosecution.

DFI is an administrative agency.

Removal Orders (A.R.S. 6-161)

- Wendy Kauffman, FKA Wendy Hahn 04/04/08
- Cine Johnson 01/23/08
- Mary Lou Pidd 11/19/07
- Francisco Vincente Martinez 07/17/07
- Nancy Wilson 06/05/07
- Anna Solis 04/25/07
- Claudia Denise Ramsey 04/19/07
- Sandra J. Flores 04/13/07
- Annette Marie Damico 02/07/07
- Margie Lynn Means 01/22/07
- Victoria Cervantes 05/04/07
- Brian R. Winski 09/30/88

Contact Information

Fill out a complaint form at visit www.azdfi.gov

Clyde H. Granderson, Investigator

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Eric M. Boldan, Special Assistant to the Superintendent

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