

UNITED STATES OF AMERICA
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF ADMINISTRATIVE LAW JUDGES

In the Matter of:

MISRA GROUP, Inc.,
d/b/a RAINTREE MORTGAGE
SERVICES, INC.,

Respondent.

HUDALJ 02-1941-MR

DEFAULT JUDGMENT AND ORDER

By letter dated May 19, 2003, the Mortgage Review Board of the U.S. Department of Housing and Urban Development (HUD or the Government) withdrew the HUD/FHA approval of MISRA Group, Inc., d/b/a Raintree Mortgage Services, Inc. (Respondent) for a period of three years pursuant to HUD's regulations codified at 24 CFR Part 25. In addition, the Board voted to impose a Civil Money Penalty against MISRA in the amount of \$69,500. MISRA filed an appeal of these actions by letter dated June 19, 2003. On September 8, 2003, the U.S. Department of Housing and Urban Development, through the Office of General Counsel (OGC), filed a Complaint seeking a civil money penalty of \$69,500 against MISRA, pursuant to the National Housing Act, 12 U.S.C. § 1735f-14, and HUD's applicable regulations that are found at 24 CFR Part 30.

The Complaint charges that Respondent, an FHA-approved mortgagee and loan correspondent, violated HUD requirements when it: (1) failed to ensure that three of its employees worked exclusively for the company; (2) knowingly made payments to individuals who received other payments for services related to the same transaction; (3) knowingly submitted falsified documentation to HUD to obtain FHA mortgage insurance; (4) failed to maintain and implement a Quality Control Plan; and (5) failed to file annual reports regarding loan application activity. The Complaint notified Respondent of its right to appeal the imposition of the civil money penalty by filing an Answer within 15 days of receipt of the Complaint and that failure to file an Answer would result in HUD's filing a Motion For Default Judgment. *See* 24 CFR 30.90. Respondent received a copy of the Complaint on September 9, 2003, but did not file an Answer.

On December 3, 2003, the Government filed a Motion For Default Judgment based on Respondent's failure to file an Answer. The applicable regulations provide that if Respondent fails to file an Answer within 15 days of receiving the Complaint, the Administrative Law Judge shall issue a Default Judgment. See 24 CFR 26.39(b). The default shall constitute an admission to all of the facts alleged in the Government's Complaint and a waiver of Respondent's right to a hearing in the matter. See 24 CFR 26.39. The Default Judgment shall constitute final agency action. *Id.*

Notwithstanding these regulatory provisions, this forum attempted to preserve Respondent's right to appeal. When Respondent indicated that he still wanted to appeal he was given additional time within which to file his Answer. When Respondent indicated that his attorney had failed to file the Answer he was given additional time to retain an attorney and have the attorney file an Answer. Finally, Respondent was given ten days within which to inform this forum of his attorney's identification and have an Answer filed or suffer the consequences. There has been no response. Thus this Default Judgment is entered.

FINDINGS OF FACT

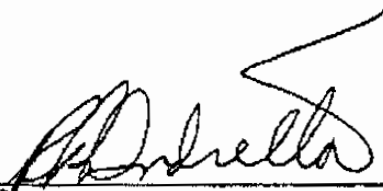
The allegations of the Government's Complaint, Docket No. 02-1941-MR (Mortgagee No. 77139-0000-2) styled "In the Matter of MISRA Group, Inc., d/b/a Raintree Mortgage Services, Inc., Respondent" and dated September 8, 2003, are incorporated herein and found to be true on the basis of Respondent's default and its consequent admission to these facts.

CONCLUSION OF LAW AND DECISION

The Government's Complaint demonstrates a knowing and material violation of HUD rules and regulations. A default Judgment against Respondent MISRA Group, Inc. is not only warranted by Respondent's non-responsiveness, but also mandated by the applicable regulations because of Respondent's failure to file an Answer to the Complaint. Accordingly, Respondent MISRA Group, Inc., d/b/a/ Raintree Mortgage Services, Inc., shall pay to the Secretary of the United States Department of Housing and Urban Development a Civil Money Penalty of \$69,500 which is immediately due and payable without further proceedings.

This Order constitutes the final agency action in this matter pursuant to the regulation codified at 24 CFR 26.39.

So **ORDERED**.

A handwritten signature in cursive script, appearing to read "R. Andretta", written over a horizontal line.

ROBERT A. ANDRETTA
Administrative Law Judge

Dated: February 19, 2004