

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

In The Matter of:

SANDRA O. WEAVER,
Respondent.

HUDALJ 90-1546-DB

Sandra Weaver
For the Respondent, *pro se*

William V. Cerbone, Esquire
Dane M. Narode, Esquire
For the Government

Before: Robert A. Andretta
Administrative Law Judge

INITIAL DETERMINATION

Jurisdiction and Procedure

This proceeding arose as a result of a suspension by the Department of Housing and Urban Development ("the Department" or "HUD") of Sandra O. Weaver ("Respondent") from further participation in primary covered transactions and lower tier covered transactions as either a participant or principal at HUD and throughout the Executive Branch of the Federal government, and from participating in procurement contracts with HUD. Respondent was notified of the suspension by letter dated August 9, 1990, and on August 16, 1990, she filed a timely request for a hearing.

The Department's action was based upon allegations that Respondent participated in a scheme, with the mortgagors of FHA-insured properties, to circumvent HUD's underwriting guidelines and minimum downpayment requirements by preparing documents containing false information for properties at ■■■ LaGloria, San Antonio Texas and ■■■ Channing Avenue, San Antonio, Texas. The false information allowed applicants to obtain FHA-insured mortgage loans for which they did not qualify and permitted the mortgagors to circumvent the minimum downpayment requirements of HUD/FHA regulations.

In accordance with my Notice Of Hearing And Order of September 12, 1990, the Department filed its Complaint on October 15, 1990. Respondent's Answer was due 30 days after the Government's Complaint was filed. Since by November 20, 1990, Respondent had failed to file an Answer, she was ordered to file an Answer to the Complaint or show cause why a summary decision should not be issued in favor of the government within 15 days. The Order To Show Cause also stated that failure by the Respondent to respond to it in a timely fashion would constitute consent to a summary decision in favor of the government.

The Respondent has failed to respond to the Order To Show Cause and has, therefore, consented to the entry of the following:

Conclusion and Order

The Respondent is a former real estate agent with Allied Realty and assisted in processing HUD/FHA-insured loan applications for the company. The Department based its action on irregularities in Respondent's handling of two FHA-insured mortgages. Specifically, Respondent knowingly processed falsified information verifying the mortgagees' deposits and employment forms, and falsely signed the name of the loan officer, or procured such signature, on the certification on HUD Form 92900, Application for Commitment for Insurance. Further, Respondent falsely certified that the credit information had not passed through the hands of the applicant or any other interested party. As a result, false information was submitted to HUD which the Department relied upon to insure the mortgages.

The Department has shown that Sandra Weaver is lacking in the requisite responsibility to participate in HUD programs. Moreover, by her continued silence in spite of orders to answer the charges against her, Respondent has consented to the entry of a summary decision against her. Accordingly, Respondent's suspension from participating in primary covered transactions and lower tier covered transactions as either a participant or a principal at HUD and throughout the Executive Branch of the Federal government and from participating in procurement contracts with HUD from the date of Notice of this action, August 9, 1990, is upheld.

So ORDERED.

ROBERT A. ANDRETTA
Administrative Law Judge

Dated: December 20, 1990.