

H. Heinz

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

In The Matter of:

Lee Anne Johnson,

Respondent.

HUDALJ 07-007-CMP
Decided: January 25, 2007

Joel Foreman, Esq.
For the Government

Lee Anne Johnson, *pro se*

Before: Thomas C. Heinz
Administrative Law Judge

DEFAULT DECISION AND ORDER

On March 14, 2006, the Secretary of the United States Department of Housing and Urban Development ("the Secretary" or "HUD") issued a Complaint seeking civil money penalties against Lee Anne Johnson ("Respondent") pursuant to Section 537(c) of the National Housing Act, (12 U.S.C. §1735f-14(b)(2)(A) and (B) and 24 C.F.R. Part 30. The Complaint charges that Respondent was a Direct Endorsement Underwriter who underwrote mortgages for insurance by the Federal Housing Administration ("FHA") as an employee of Apreva, Inc., an FHA-approved mortgagee. The Complaint further alleges that Respondent submitted to FHA false certifications that certain identified mortgages were eligible for FHA mortgage insurance. The Complaint notified Respondent of her 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 could result in a default judgment and imposition of the penalty sought. *See* 24 C.F.R. §§26.39 and 30.90(b). Respondent received the Complaint on March 16, 2006, but she failed to file an Answer.

On December 8, 2006, HUD issued a Motion for Default Judgment which Respondent received on December 19, 2006. Respondent had seven days from receipt of the motion in which to file a response. *See* 24 C.F.R. §26.39(a). He has not done so. By

failing to respond to the motion, Respondent has admitted the allegations of the Complaint and waived his right to a hearing. *See* 24 C.F.R. §26.39(c). Accordingly, HUD's Motion for Default Judgment will be granted.

Findings of Fact

1. Respondent is an individual who at all times material herein in was a Direct Endorsement (DE) Underwriter who underwrote mortgages for insurance by the Federal Housing Administration (FHA), and an employee of Apreva, Inc., an FHA-approved mortgagee. Complaint ¶ 2.

2. Respondent acted as the DE Underwriter in the loans listed below. Complaint ¶¶ 54, 55.

3. Respondent falsely certified to HUD that each of the loans identified below was eligible for HUD mortgage insurance under the Direct Endorsement program. Complaint ¶¶ 56, 57, 58.

4. Respondent knew or had reason to know that each of the certifications referred to in paragraph 3. above was false. Complaint ¶ 85.

Count	FHA Loan number	Borrower	For all Counts, Complaint Parts I-VI, ¶¶1-58 and Part VII, ¶¶ 82-86
1.	561-7498436	Del Pozo, Oscar	Complaint ¶¶ 73, 74
2.	569-0540546	Evans, Ryan	Complaint ¶¶ 59,75,76,77,99,106
3.	561-7473527	Huffines, Justin M.	Complaint ¶¶ 60, 100
4.	5617458291	Kyser, Michael	Complaint ¶¶ 61,62,78,90,91
5.	5617549790	Lemus, Jose R.	Complaint ¶¶ 79, 104

7.	569-0532591	Martin, Stephen	Complaint ¶¶ 65,66,81,82,101
8.	431-3729577	Meindl, Joseph C.	Complaint ¶ 94
10.	431-3699469	Pearson, Jeffrey F.	Complaint ¶¶ 84, 85,86,87,97,98
11.	561-7525367	Valdez, Brian M.	Complaint ¶¶ 88, 102, 103
12.	431-3731876	Arevalo, Marie	Complaint ¶¶ 68, 69, 70
13.	431-3625726	Culpepper, Mary	Complaint ¶¶ 71,72,89,105


Conclusions

By virtue of the above findings of fact, Respondent has committed 11 knowing and material violations of 12 U.S.C. §§1735f-14(b)(2)(A) and (B), for which civil penalties may be imposed.

ORDER

Pursuant to 24 C.F.R. §§26.37, 26.39, and 30.90, It is hereby **ORDERED** that:

1. The Motion for Default Judgment is granted;
2. Respondent shall pay to the Secretary of HUD a civil money penalty of \$27,500, which penalty is due and payable immediately without further proceedings; and
3. This Order shall constitute the final agency action.


 THOMAS C. HEINZ
 Administrative Law Judge

Dated: January 25, 2007