

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

In the Matter of:)	
)	
Jefferson Independent Mortgage, Inc.,)	HUDALJ 10-E-078-MR/43
)	
Respondent.)	
)	

**ORDER GRANTING MOTION TO DISMISS WITH PREJUDICE
AND AFFIRMING ADMINISTRATIVE ACTION**

On March 24, 2010, the Mortgagee Review Board of the United States Department of Housing and Urban Development (“the Government”) filed a Notice of Administrative Action (“Notice”) initiating this matter, withdrawing Respondent’s HUD/FHA approval for one year. Respondent, through broker-owner William W. Jordan, filed a response on March 29, 2010, asking the Government to reconsider the Action. A Notice of Hearing and Prehearing Order (“Order”) was issued by the undersigned, requiring the parties to submit Prehearing Exchanges on or before April 15, 2010, and scheduling the hearing for April 27, 2010.

On April 15, 2010, the Government filed its Prehearing Exchange. To date, Respondent has not filed its Prehearing Exchange, in violation of the Order, and as a result, the undersigned issued an Order to Show Cause on April 22, 2010, ordering Respondent to respond by 4:00 p.m. EST, April 23, 2010, as to why its appeal should not be dismissed. Later on April 22, 2010, the Government filed a Motion to Dismiss with Prejudice, with an email from Mr. Jordan attached as Exhibit 1, stating “Please withdraw the appeal.” In the Motion, the Government requests that per Respondent’s request, the hearing be canceled, the appeal be dismissed, and the Government’s withdrawal action to become final as if the hearing was not requested.

The applicable regulations provide as follows:

When a motion to dismiss the proceeding is granted, the ALJ shall make and file a determination and order in accordance with the provisions of § 26.50.

24 C.F.R. § 26.40(g).

In turn, 24 C.F.R. § 26.50 provides in pertinent part as follows:

The ALJ shall issue an initial decision based only on the record, which shall contain findings of fact, conclusions of law, and the relief granted. The ALJ’s initial decision shall not become effective unless it becomes or is incorporated

into final agency action in accordance with §§ 26.50(c) or 26.52(l).

24 C.F.R. § 26.50(a).

In accordance with 24 C.F.R. Section 26.50(a), I make the following findings of fact and conclusions of law based upon the documents of record:

1. Upon application, Respondent Jefferson Independent Mortgage, Inc.(FHA ID: 20971-0000-4) was approved by the Secretary of HUD to participate in the HUD/FHA insured mortgage programs under NHA Title II. *See*, Notice of Administrative Action; 12 U.S.C. § 1709; 24 C.F.R. Part 202.
2. Pursuant to 24 C.F.R. Part 202, Respondent was required to submit in a timely and appropriate manner its annual recertification fee. *See*, 24 C.F.R. § 202.5(j), HUD Handbook 4700.2 REV-2, Chapter 7, and HUD Handbook 4060.1 REV-2, Chapter 4.
3. Pursuant to 24 C.F.R. Part 202, Respondent was required to submit in a timely and appropriate manner an executed Title II Yearly Verification report within 30 days after the close of its fiscal year. *See*, 24 C.F.R. 202.5(m), HUD Handbook 4700.2 REV-2, Chapter 7, and HUD Handbook 4060.1 REV-2, Chapter 4.
4. Respondent failed to submit, in a timely and appropriate manner, its annual recertification fee through Pay.Gov within 30 days after the close of its fiscal year, as alleged in the Notice. *See*, Notice of Administrative Action and email in response from William W. Jordan dated March 26, 2010, filed March 29, 2010.
5. Respondent failed to submit in a timely and appropriate manner an executed Title II Yearly Verification report within 30 days after the close of its fiscal year, as alleged in the Notice. *See*, Notice of Administrative Action and email in response from Respondent dated March 26, 2010, filed March 29, 2010.
6. In response thereto, on October 23, 2009, the Mortgagee Review Board (Board) of HUD issued a Notice of Violation to Respondent. *See*, Notice of Administrative Action.
7. On March 24, 2010, more than 30 days after the issuance of the Notice of Violation as required by 12 U.S.C. § 1708(c)(4)), the Board issued Respondent a Notice of Administrative Action imposing an immediate one year withdrawal of its HUD/FHA approval based upon Respondent's "serious violation of HUD/FHA's regulations and requirements," as authorized by 12 U.S.C. § 1708(c)(3)(D) and 24 C.F.R. § 25.6. *See*, Notice of Administrative Action

8. Respondent has consented to such withdrawal. *See*, Joint Motion to Dismiss with Prejudice and attached email from Mr. Jordan, dated April 22, 2010.
9. Respondent's failure to submit in a timely and appropriate manner its annual recertification fee constitutes a violation of 24 C.F.R. § 202.5(j), HUD Handbook 4700.2 REV-2, Chapter 7, and HUD Handbook 4060.1 REV-2, Chapter 4.
10. Respondent's failure to submit in a timely and appropriate manner an executed Title II Yearly Verification report within 30 days after the close of its fiscal year constitutes a violation of 24 C.F.R. § 202.5(m), HUD Handbook 4700.2 REV-2, Chapter 7, and HUD Handbook 4060.1 REV-2, Chapter 4.

ORDER

Based upon the foregoing, for good cause shown, the parties' Joint Motion to Dismiss with Prejudice is hereby **GRANTED**, and further, it is concluded that the Mortgagee Review Board's withdrawal of Respondent Jefferson Independent Mortgage, Inc.'s HUD/FHA approval under NHA Title II (FHA ID: 20971-0000-4) continues in effect for one year from the date of Respondent's receipt of the Notice of Administrative Action dated March 24, 2010.



Susan L. Biro
Chief Administrative Law Judge¹

Dated: April 23, 2010
Washington, D.C.

¹ The Administrative Law Judges of the United States Environmental Protection Agency. are authorized to hear cases pending before the United States Department of Housing and Urban Development pursuant to an Interagency Agreement effective for a period beginning March 4, 2010.