

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

)	
In the Matter of:)	
)	
Coastline Mortgage Consultants, LLC,)	HUDALJ 10-E-124-MR-82
)	
Respondent.)	
)	

ORDER GRANTING JOINT MOTION TO DISMISS WITH PREJUDICE

The Mortgagee Review Board (“the Board”) of the United States Department of Housing and Urban Development (“the Government”) sent a Notice of Administrative Action (“Notice”) dated April 16, 2010, to Respondent, initiating this action under the National Housing Act, 12 U.S.C. § 1708(c), and withdrawing Respondent’s HUD/FHA approval for one year. Respondent appealed such withdrawal action on May 5, 2010, and the undersigned set a hearing for May 26, 2010. On May 7, 2010, and July 6, 2010, the parties requested stays for a period totaling ninety days, both of which the undersigned granted.

On July 30, 2010, the parties filed a Joint Motion to Dismiss with Prejudice (“Joint Motion”), on the basis that Respondent’s representative, Horace Mayo, informed counsel for the Government that Respondent has decided to withdraw its request for a hearing.

As to dismissal of a proceeding, the applicable regulations provide that “[w]hen 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(a) 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 Section 26.50(a), I make the following findings of fact and conclusions of law based upon the documents of record:

1. Respondent (FHA ID: 28780-0000-2 (Title II)) held HUD/FHA approval to participate in

the HUD/FHA insured mortgage program under Title II of the National Housing Act of 1934, 12 U.S.C. §§ 1701 *et seq.* *See* Notice of Administrative Action.

2. Pursuant to 24 C.F.R. Part 202, Respondent was required to submit in a timely and appropriate manner acceptable audited financial statements and supplementary reports through HUD's Lender Assessment Sub-system ("LASS") within ninety days after the close of its fiscal year. *See* 24 C.F.R. Part 202.
3. Respondent failed to submit, in a timely and appropriate manner, acceptable audited financial statements through LASS, as alleged in the Notice of Administrative Action. *See* Notice of Administrative Action.
4. In response thereto, on October 27, 2009, the Board issued a Notice of Violation to Respondent. *See* Notice of Administrative Action.
5. On April 16, 2010, more than 30 days after the issuance of the Notice of Violation, as required by 12 U.S.C. § 1708(c)(4)(A), the Board issued Respondent a Notice of Administrative Action imposing an immediate one year withdrawal of Respondent's 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.
6. Respondent requests that the Board's withdrawal action become final as if the hearing was not requested, and that this matter be dismissed. *See* Joint Motion.
7. Respondent's failure to submit in a timely and appropriate manner acceptable audited financial statements constitutes a violation of 24 C.F.R. Part 202, for which its HUD/FHA approval may be withdrawn by the Board pursuant to Section 202 of the National Housing Act of 1934, 12 U.S.C. § 1708(c)(3)(D), and 24 C.F.R. Part 25.

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's HUD/FHA approval under Title II of the National Housing Act (FHA ID: 28780-0000-2) continues in effect for one year from the date of Respondent's receipt of the Notice of Administrative Action dated April 16, 2010.



Susan L. Biro
Chief Administrative Law Judge¹

Date: August 13, 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 in effect beginning March 4, 2010.