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

In the Matter of: MAJOR MORTGAGE CORPORATION, Respondent.	HUDALJ 06-001-MR OGC Case No. 05-5071-MR

DEFAULT JUDGMENT AND ORDER

On September 12, 2005, the U.S. Department of Housing and Urban development ("HUD" or "the Government") filed a Complaint seeking a civil money penalty of $6,500 against Major Mortgage Corp. ("MMC" or "Respondent"), pursuant to the National Housing Act, 12 U.S.C. § 1735f-14 and HUD's regulations that are codified at 24 CFR Part 30. On October 5, 2005, the Government filed its Motion for Default Judgment based upon Respondent's failure to answer the Complaint and in accordance with the regulations that are found at 24 CFR 30.85(b) and30.90(b).

Findings of Fact

1. Pursuant to 24 CFR Parts 25 and 30, HUD's mortgagee review Board ("MRB" or "the Board") notified MMC in a letter dated May 13, 2005 ("Notice"), that it was considering an administrative action against it and the imposition of civil money penalties based upon MMC's failure to comply with the terms of a settlement agreement identified in the Notice letter.

2. The Notice informed MMC of its opportunity to respond to the Board's findings that were described in attachments to the Notice.

3. MMC did not file a response to the Notice.

4. On August 5, 2005, the Board voted for a umber of matters, including to seek civil money penalties ("CMP") against MMC in the amount of $6,500.

5. In reaching the decision to impose civil money penalties on MMC, the Board considered the following factors as required by 12 U.S.C § 1735f-14(c)(3) and 24 CFR 30.89: (1) the gravity of MMC's offenses; (2) MMC's history of prior offenses; (3) MMC's ability to pay the penalty; (4) the injury to the public; (5) the benefits received by MMC; (6) the extent of potential benefits to other persons; (7) the deterrence of future violations; (8) the degree of MMC's culpability; and (9) other matters as required by justice.

6. In accordance with 24 CFR 30.35(a)(14), the Board is authorized to impose civil money penalties against MMC for knowingly violating the settlement agreement.

Discussion and Conclusions

Major Mortgage Corporation was notified of the procedures that it was required to follow to obtain a hearing on the Complaint and the Board's decision. MMC was informed that it had a right to submit to HUD a written response to the Complaint within 15 days of its receipt. MMC was informed that its response would then be filed, along with the Complaint, with the Chief Docket Clerk of this forum where it would serve as a request for a hearing in accordance with 24 CFR 26.37. The Notice also stated that, if no response were received, HUD would file the Complaint with a motion for default judgment, as provided for by 24 CFR 30.90(b) and 26.39. Further, MMC was informed that, if a default judgment were issued, Respondent waived any right to a hearing on the allegations in the Complaint and on the amount of civil money penalties; these penalties being due and payable immediately, as required under 24 CFR 26.39. Copies of the applicable regulations were enclosed with the Notice and Complaint that were sent to MMC.

Exhibit A to the Motion for Default Judgment shows proof of delivery of the Complaint and accompanying materials to MMC via UPS on September 14, 2005. HUD states that, as of October 5, 2005, no response has been received form MMC. Further, no response to the Complaint or the Motion has been filed by MMC with this forum. During October, 2005, a clerk of this forum tried

numerous times to contact MMC by telephone to arrange for a hearing date, but voice mail messages were not returned. On October 19, 2005, the clerk sent MMC a letter stating that it was imperative that MMC contact this forum immediately to schedule a hearing. This letter was neither answered by MMC nor returned by USPS. Further telephone messages to MMC since the date of the letter have gone unanswered.

HUD regulations provide that a default shall constitute an admission of all allegations contained in the Complaint as well as a Respondent's waiver of any right to a hearing on the allegations and the imposition of penalties. 24 CFR 26.39(c). Thus, all allegations contained in the Complaint against MMC, dated September 12, 2005, are deemed admitted and MMC's right to a hearing is deemed to have been waived. Accordingly, and for good cause shown, the Government's Motion for default Judgement is **GRANTED**.

Order

Major Mortgage Corporation is ordered to pay to the Secretary of HUD the total civil money penalty of $6,500. This amount is immediately due and payable by MMC without further proceedings. In accordance with the regulation codified at 24 CFR 26.39, this Order constitutes final HUD action on this matter.

So **ORDERED**.

ROBERT A. ANDRETTA
Administrative Law Judge

Dated: February 1, 2006

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