

1	In re the Matter of:) Case No.: 09-089
)
2	State of New Hampshire Banking)
)
3	Department,)
)
4	Petitioner,) Order to Show Cause
)
5	and)
)
6	Nations Funding Source, Inc. a/k/a)
)
7	www.nfsite.com, a/k/a)
)
8	www.americanfha.com and a/k/a American)
)
9	FHA, and Sookrani Sattie Narain,)
)
10	Respondents)

NOTICE OF ORDER TO SHOW CAUSE ("ORDER")

12 1. This Order commences an adjudicative proceeding under the provisions
13 of RSA Chapter 397-A (including RSA 397-A:17,I, and RSA 397-A:20,IV) and RSA
14 Chapter 541-A.

15 2. The Commissioner may impose administrative fines of up to \$2,500.00
16 for each violation. RSA 397-A:21.

RESPONDENTS

18 3. Nations Funding Source, Inc. a/k/a www.nfsite.com, a/k/a
19 www.americanfha.com, and a/k/a American FHA ("Respondent Nations Funding")
20 was a Florida corporation formed on January 1, 2001. Respondent Nations
21 Funding registered with the New Hampshire Secretary of State on September
22 29, 2006 with its principal office location in Fort Lauderdale, Florida and
23 was administratively suspended or dissolved by the New Hampshire Secretary
24 of State on August 2, 2010. Respondent Nations Funding is a "Person" (RSA
25 397-A:1,XVIII).

1 4. Respondent Nations Funding was licensed as a Mortgage Broker with the
2 New Hampshire Banking Department ("Department") from at least November 21,
3 2006 (with an amended license date of April 30, 2008) until its license
4 expired on December 31, 2009.

5 5. The National Mortgage Licensing System ("NMLS") indicates Respondent
6 Nations Funding was formerly licensed in 33 other states as either a
7 Mortgage Broker or Mortgage Lender. The NMLS also indicates Respondent
8 Nations Funding is still licensed by the State of New York as a Mortgage
9 Broker but has yet to renew for 2011.

10 6. Sookrani Sattie Narain ("Respondent Narain") is the 100% owner and
11 President of Respondent Nations Funding. Respondent Narain is licensed as
12 Mortgage Loan Originator (loan officer) for Mortgage One Solutions, Inc. in
13 the District of Columbia, Florida, Kentucky, Oklahoma, Pennsylvania, Texas
14 and Virginia. Respondent Narain was never a licensed New Hampshire Mortgage
15 Loan Originator. Respondent Narain is a Direct Owner (RSA 397-A:1,VI-a), a
16 Person (RSA 397-A:1,XVIII) and a Principal (RSA 397-A:1,XIX).

17 7. The above named Respondents are hereby collectively known as
18 "Respondents".

19 **RIGHT TO REQUEST A HEARING**

20 8. Respondents have a right to request a hearing on this Order. A hearing
21 shall be held not later than ten (10) days after the Commissioner receives
22 the Respondent's written request for a hearing. Respondents may request a
23 hearing and waive the ten (10) day hearing requirement. The hearing shall
24 comply with RSA Chapter 541-A and RSA 397-A:17.

25 9. If any person fails to request a hearing within thirty (30) days of

1 receiving this Order, then such person shall be deemed in default, and the
2 Order shall, on the thirty-first (31st) day, become permanent, all
3 allegations may be deemed true, and shall remain in full force and effect
4 until modified or vacated by the Commissioner for good cause shown. RSA 397-
5 A:17.

6 10. A default may result in administrative fines as described in Paragraph
7 2 above.

8 **STATEMENT OF ALLEGATIONS**

9 11. On or about February 9, 2009, the Department conducted an examination
10 of Respondent Nations Funding.

11 FHA Approved Loans Originated by Third Party Processors:

12 12. The Department's Examiner observed Respondents' use of outsourced
13 third party processors to conduct underwriting and loan origination
14 functions for New Hampshire consumer loans, in violation of U.S. Department
15 of Housing and Urban Development, Section 4060.1, Chapter 2-13 (via RSA 397-
16 A:2,III).

17 a. The Consumer A FHA loan was originated by a Ken Steltman, who
18 while an originator for Respondent Nations Funding also had his own
19 company, The Steltman Group, Inc. ("Steltman"). Steltman is a loan
20 processing company, yet Ken Steltman's name was listed on all
21 disclosures and applications as the loan originator.

22 b. The Consumer B FHA loan was originated by a James Mackin, who
23 while an originator for Respondent Nations Funding also had his own
24 company, Process My Loan LLC ("Mackin"). Mackin is a loan processing
25 company. James Mackin performed loan originator functions on the

1 Consumer B FHA loan, yet James Mackin's name was listed on all
2 disclosures and applications as the loan originator.

3 c. The Consumer C FHA loan was originated by an Emmanuel St.
4 Germaine, who while an originator for Respondent Nations Funding also
5 had his own company, Lapointe Marketing, Inc. ("St. Germaine"). St.
6 Germaine is a loan processing company, yet Emmanuel St. Germaine's
7 name was listed on all disclosures and applications as the loan
8 originator.

9 13. The Consumer A, Consumer B and Consumer C FHA loans were originated by
10 loan officers other than Respondent Narain. While Respondent Nations Funding
11 may employ individuals with outside employment, the employment cannot be
12 mortgage lending, real estate or a related field. While employed by
13 Respondents Nations Funding, Ken Steltman, James Mackin and Emmanuel St.
14 Germaine conducted loan processing (mortgage lending activity) in violation
15 of U.S. Department of Housing and Urban Development, Section 4060.1, Chapter
16 2-9, A & G via RSA 397-A:2,III.

17 Respondents Engaged in Dishonest Or Unethical Practices:

18 14. Consumer A's loan application contained the handwritten name of
19 Respondent Narain but previously contained the name of Ken Steltman. Certain
20 loan documents and disclosures within the Consumer A loan files were either
21 addressed to or named Ken Steltman and two dated loan applications show the
22 names were whited out and replaced with "S. Narain".

23 15. Consumer B's loan disclosures listed James Mackin and the interviewer
24 section of the loan application listed James Mackin. Yet other documents
25 listed Respondent Narain.

1 16. Consumer C's loan disclosures listed Emmanuel St. Germaine and the
2 Mortgage Loan Origination Agreement named Emmanuel St. Germaine as the
3 mortgage loan originator. Loan documents then show white out was used to
4 replace Emmanuel St. Germaine's name with that of Respondent Narain.

5 17. Respondents explained that software used by Respondent Nations Funding
6 to auto print names created white-outs on the Consumer A, B and C FHA loan
7 documents.

8 18. Respondents then admitted that Respondent Narain's name was then
9 "added" to the loan documents, which is in violation of RSA 397-A:17,I(k).

10 FHA Identification Number Given to Unlicensed Entities:

11 19. The Department's Examiner discovered a website (americanfha.com),
12 which showed that Respondent Nations Funding shares its FHA approval in 46
13 states. The website specifically stated that the broker must have the listed
14 sponsor identification to originate FHA loans. The website is no longer
15 active.

16 20. Respondents marketed Respondent Nations Funding's FHA identification
17 number to unlicensed entities when making FHA loans, in violation of U.S.
18 Department of Housing and Urban Development, Section 4060.1, Chapter 2-14, A
19 via RSA 397-A:2,III.

20 _____ /s/
Maryam Torben Desfosses
21 Hearings Examiner

February 20, 2011
Date

22 ORDER

23 21. I hereby find as follows:

24 a. Pursuant to RSA 397-A:17,I, the facts as alleged above, if true,
25 show Respondents are operating or have operated in violation of RSA Chapter

1 397-A and form the legal basis for this Order;

2 b. Pursuant to RSA 397-A:20,VI, this Order is necessary and
3 appropriate to the public interest and for the protection of consumers and
4 consistent with the purpose of New Hampshire banking laws; and

5 c. If Respondents fail to respond to this Order and/or defaults
6 then all facts as alleged herein are deemed as true.

7 **22. Accordingly, it is hereby ORDERED that:**

8 a. Respondents shall show cause why an administrative fine of up to
9 a maximum of \$2,500.00 per violation should not be imposed as follows:

10 (1). Respondent Nations Funding:

11 Violation #1: Violation of U.S. Department of Housing and
12 Urban Development Handbook Section 4060.1, Chapter 2-9,
13 A&G (RSA 397-A:2,III) - 3 Counts;

14 Violation #2: Violation of U.S. Department of Housing and
15 Urban Development Handbook Section 4060.1, Chapter 2-13
16 (RSA 397-A:2,III) - 3 Counts;

17 Violation #3: Violation of U.S. Department of Housing and
18 Urban Development Handbook Section 4060.1, Chapter 2-14, A
19 (RSA 397-A:2,III) - 3 Counts;

20 Violation #4: Dishonest or Unethical Practices (RSA 397-
21 A:17,I(k)) - 3 Counts

22 (2). Respondent Narain (as principal and direct owner):

23 Violation #1: Violation of U.S. Department of Housing and
24 Urban Development Handbook Section 4060.1, Chapter 2-9,
25 A&G (RSA 397-A:2,III) - 3 Counts;

1 Violation #2: Violation of U.S. Department of Housing and
2 Urban Development Handbook Section 4060.1, Chapter 2-13
3 (RSA 397-A:2,III) - 3 Counts;

4 Violation #3: Violation of U.S. Department of Housing and
5 Urban Development Handbook Section 4060.1, Chapter 2-14, A
6 (RSA 397-A:2,III) - 3 Counts;

7 Violation #4: Dishonest or Unethical Practices (RSA 397-
8 A:17,I(k)) - 3 Counts;

9 b. Respondents shall show cause why Respondent Nations Funding's
10 New Hampshire Mortgage Broker license should not be revoked; and

11 c. Nothing in this Order:

12 (1). shall prevent the Department from taking any further
13 administrative and legal action as necessary under New Hampshire law; and

14 (2). shall prevent the New Hampshire Office of the Attorney
15 General from bringing an action against the above named Respondents in any
16 New Hampshire superior court, with or without prior administrative action by
17 the Commissioner.

18 **SO ORDERED.**

19
20 _____ /s/
21 ROBERT A. FLEURY
22 DEPUTY BANK COMMISSIONER

Dated: February 14, 2011