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Top 10 Mortgage News Stories in June

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[Major Action Against National Mortgage Firm](#)

A national mortgage firm is the target of big legal action by the government.

The Federal Trade Commission announced the action today.

According to the agency, a "nationwide mortgage company" is facing "major law enforcement action." The company is accused of misleading and overcharging borrowers in financial distress.

www.mortgagedaily.com/FtcAction060410.asp

[BB&T Closing Wholesale, Expanding Warehouse](#)

Branch Banking and Trust Co. plans to exit the mortgage broker channel. By making the move, the company hopes to free up resources for secondary marketing activity.

BB&T Corp. conducts wholesale mortgage lending through Liberty Mortgage Corp.

But that is about to change.

www.mortgagedaily.com/ClosingLiberty060210.asp

[The \\$2 Billion Mortgage Fraud Sting](#)

More than a thousand defendants who helped close more than \$2 billion in fraudulent mortgages have been charged as part of a federal crackdown. Among the defendants were many who are mortgage brokers.

Seeking to show victories against the kind of ground-level fraud that contributed to the housing crash, federal authorities said Thursday that they had filed criminal charges in recent months against 1,200 mortgage brokers and others accused of cheating banks and borrowers of \$2.3 billion.

www.mortgagedaily.com/MctFraud061810.asp

Wholesaler Goes Correspondent

A wholesale lender that also operates nearly 40 retail branches has opened up a new correspondent lending business. At the top of its product list is a government renovation program.

Gateway Funding Correspondent was announced today by Gateway Funding Diversified Mortgage Services.

www.mortgagedaily.com/GatewayCorrespondent060810.asp

HUD Coming Down on Builder Affiliate Referrals

The U.S. Department of Housing and Urban Development plans to step up enforcement against builders and other firms that violate the *Real Estate Settlement Procedures Act* prohibition against the required use of affiliated settlement service providers.

The housing agency disclosed its intentions in a public filing today.

www.mortgagedaily.com/FhaAffiliated060310.asp

Taylor Bean Chairman Arrested for \$400 Million Mortgage Fraud

The former chairman of Taylor, Bean and Whitaker Mortgage Corp. was indicted, has been arrested and faces a civil lawsuit by the government. Through the defunct lender, he allegedly used \$400 million in warehouse financing to fund fake loans.



Following a 16-count indictment filed in U.S. District Court for the Middle District of Florida, Lee Bentley Farkas was arrested, according to the U.S. Department of Justice. Among other agencies joining in the announcement were the Financial Fraud Enforcement Task Force, the Special Inspector General for the Troubled Asset Relief Program and the Inspector General of the U.S. Department of Housing and Urban Development.

www.mortgagedaily.com/ArrestLeeFarkas061610.asp

Institutions Endure Regulatory Actions

Monthly regulatory activity eased at the Federal Deposit Insurance Corporation. Including matters at other federal banking regulators, however, more than a hundred actions have been announced during the past month against financial institutions.

After jumping to 104 during March, the number of matters processed by the FDIC fell to 76 in April. But activity was lower a year ago at 57 actions.

www.mortgagedaily.com/regulatory060910.asp

FL Mortgage License Apps Being Suspended

New license applications are being suspended for prospective mortgage originators in Florida.

That news came in a statement from Florida Office of Financial Regulation Commissioner Tom Cardwell.
www.mortgagedaily.com/FloridaLicenses061710.asp

Big Morgan Stanley Subprime Settlement

Morgan Stanley has settled for more than \$100 million allegations that it helped put subprime borrowers in unaffordable mortgages and soaked investors in the process.

The settlement was announced today by the Massachusetts Attorney General's office.
www.mortgagedaily.com/SettlementMorganStanley062410.asp

Bad Bank List Growing

Federal banking and credit union regulators recently doled out nearly 60 regulatory orders. More than a third of the orders require the institutions to improve capital, operations, management or all of the above.

During the past three months, the Office of the Comptroller of the Currency handed out the following 18 cease-and-desist orders. Bank failures are often preceded by cease-and-desist orders.
www.mortgagedaily.com/Regulatory062210.asp

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