

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF BANKING

IN THE MATTER OF:)
) No. 2004-MBR-128 b
SILVER MORTGAGE BANCORP, INC.)
License No. MB.0004730)
ATTN: Arthur E. Doty & Robert J. Loncar)
790 Royal Saint George, Suite 126)
Naperville, IL 60563)

CONSENT ORDER

The Department of Financial and Professional Regulation, Division of Banking, of the State of Illinois (hereinafter referred to as the “Department”) and Silver Mortgage Bancorp, Inc. (hereinafter referred to as “Silver Mortgage”) hereby enter into this Consent Order (hereinafter referred to as the “Consent Order”) and stipulate, admit and agree to the following:

STIPULATIONS AND ADMISSIONS

On December 29, 2004, the Department issued Order No. 2004-MBR-128 to Silver Mortgage. Silver Mortgage filed a timely appeal upon receipt of said disciplinary order and status calls, production of documents, and other preliminary administrative hearing steps were taken thereafter, concluding in this Consent Order. Silver Mortgage admits that through its employees it accepted or offered to accept applications for residential mortgage loans from borrowers within the meaning of the Residential Mortgage License Act of 1987 (hereinafter referred to as the “Act”) [205 ILCS 635] at the following unlicensed branch office locations (hereinafter referred to as the “Offices”):

1. **522 Countryside Center, Yorkville, Illinois 60650;**
2. **400 E. Main Street, Suite 102, Barrington, Illinois 60010;**
3. **4770 N. Lincoln Avenue, Suite 7 Chicago, Illinois 60625**
4. **708 Joliet Street, West Chicago, Illinois 60185;**

- 5. 520 W. Roosevelt Road, Suite 300, Wheaton, Illinois 60187;**
- 6. 613 E. New York Street, Aurora, Illinois 60505**

Both parties stipulate that Silver Mortgage had a business plan in place, based upon its interpretation of the Act, that it would receive loan applications only at the Offices and that processing and other related licensed activities were to occur at Silver Mortgage's properly licensed corporate location at 790 Royal Saint George, Suite 126, Naperville, Illinois 60563. Both parties further stipulate that Silver Mortgage upon being advised by the Department that the Act required each of the Offices to be licensed as an additional full service office, that Silver Mortgage applied to the Department for additional full service licenses for each of the Offices.

TERMS AND CONDITIONS

WHEREFORE, the Department and Silver Mortgage agree as follows:

- I. Department rescinds Order No. 2004-MBR-128.
- II. Department imposes on Silver Mortgage pursuant to this Consent Order a \$10,000 fine pursuant to Section 4-5(h)(5) of the Act for accepting or offering to accept applications for residential mortgage loans from borrowers at unlicensed additional full service office locations (the Offices) within the meaning of the Act.
- III. Silver Mortgage agrees to pay said fine within 30 days of final approval of the Consent Order.
- IV. Silver Mortgage agrees to dismiss its petition for hearing and administrative review of Orders No. 2005-MBR-128 and waives any right to re-file its petition, or file any petition or other appeal of said orders or of this Consent Order. Silver Mortgage acknowledges that it has been represented by legal counsel in negotiating this Consent Order, and that it willingly enters into this Consent Order, upon advice of counsel, and after full review, evaluation, and consideration and with full knowledge of its rights under the RMLA and Illinois Administrative Procedure Act.

- V. The Department enters into the Consent Order for the purpose of imposing measures that are fair and equitable in the circumstances and that are consistent with the best interests of the people of the State of Illinois.
- VI. The Consent Order shall become effective upon all the parties hereinafter designated signing and dating the Consent Order and on the date that the last of those designated for the Department sign and date the Consent Order.

The foregoing Consent Order is approved in full.

By _____ date: _____

Arthur E. Doty
Silver Mortgage Bancorp, Inc.

By _____ date: _____

Robert J. Loncar
Silver Mortgage Bancorp, Inc.

By _____ date: _____

Ari J. Rosenthal, Esq.
James Gustafson and Thompson, Ltd.
Counsel for Silver Mortgage Bancorp, Inc.

Department of Financial and Professional Regulation,
Division of Banking,
Of the State of Illinois
Dean Martinez, Acting Secretary
D. Lorenzo Padron, Director

By _____ date: December 13, 2005

Reynold M. Benjamin
Acting Assistant Director
Division of Banking, Bureau of Residential Finance

By _____ date: _____

Mike Lyons
Hearing Officer
Acting Chief Administrative Law Judge, Division of
Professional Regulation