

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKS AND REAL ESTATE

IN THE MATTER OF:)
)
LMC Mortgage Corporation)
Attn: Mario Loera)
6725 S. Pulaski Road)
Chicago, IL 60629)
License No. MB.0005638)

No. 2004-MBR-134

ORDER IMPOSING PROBATION AND FINE

WHEREAS, LMC MORTGAGE CORPORATION (hereinafter referred to as the “Licensee”) is licensed under the Residential Mortgage License Act of 1987 [205 ILCS 635] and the Rules of the Residential Mortgage License Act of 1987 [38 Ill. Adm. Code 1050] (hereinafter referred to as the “Act” or “Rules” as the case may be); and

WHEREAS, Licensee is subject to the jurisdiction of the Department of Financial and Professional Regulation, Division of Banks and Real Estate (hereinafter referred to as the “Department”) pursuant to the Act and Rules; and

WHEREAS, the Act and Rules impose requirements on licensees that they are to fulfill under the Act; and

WHEREAS, Section 4-5(h)(3) and (5) of the Act provides that the Department may impose probation and a fine not exceed \$25,000 for each count of separate offense for acts by a licensee in

violation of Section 4-5(i) of the Act; and

WHEREAS, Licensee has violated the following subsections of Section 4-5(i) of the Act: Licensee violated subsection (11) by failing to comply with the Rules, subsection (12) by performing acts without all required full service office licenses, subsection (14) by failing to maintain, preserve, and keep available for examination by the Department all required documents, and subsection (17) by failing to comply with all provisions of the Act.

NOW, THEREFORE, the Department after reviewing the record in this matter makes the following:

FINDINGS

That the Department has examined the Licensee and found evidence that the Licensee violated the following provisions of the Act and Rules:

1. Licensee violated Section 1050.1140 of the Rules by failing to provide borrowers with a rate lock/float form;
2. Licensee violated Section 3-5 of the Act, and Section 1050.410(c) of the Rules by failing to maintain evidence of net worth;
3. Licensee violated Section 2-8(a) of the Act and Section 1050.350 of the Rules by failing to timely notify and apply to the Department for Full Service Office licenses in Aurora and Oak Lawn, Illinois;
4. Licensee violated Section 2-6(b)(1) of the Act by failing to timely renew and pay for its license in 2003;
5. Licensee was in violation of Section 2-4(h) of the Act and Section 1050.470 of the Rules at the time of examination by failing to provide tax return records, and that the Department has requested, but not received proof that Licensee has filed for extensions with the proper agency;
6. Licensee violated Section 1050.360 of the Rules by employing seventy (70) loan officers in 2003 without proof that the loan officers obtained the required three (3) hours of continuing education;

7. Licensee violated Section 1050.1175 of the Rules by failing to adequately maintain loan log records;
8. Licensee violated Section 1050.1305 of the Rules by failing to deliver an approval notice to the applicant upon the approval of a residential mortgage loan application for the loan files reviewed;
9. Licensee violated Section 1050.1350 of the Rules by failing to accurately disclose the annual percentage rate (the “APR”) on Truth in Lending disclosures as required by 12 C.F.R. 226.22(a)(2) of federal Regulation Z;
10. Licensee violated Section 1050.1120 of the Rules by failing to provide loan applicants with required documentation for underwriting loans;
11. Licensee violated Sections 1050.140 and 1050.1030 by failing to maintain adequate management controls and responsibilities over Full Service Offices and employees; and
12. Licensee violated Section 3-2(e) and (g) of the Act by failing to provide accurate compilation statements and produce audited financial statements as required.

CONCLUSIONS

BASED UPON THE ABOVE FINDINGS, THE DEPARTMENT IS OF THE OPINION AND CONCLUDES:

1. That notwithstanding notices and other efforts by the Department, Licensee violated the aforementioned sections of the Act and Rules; and
2. That Licensee is not currently complying with the Act and Rules.

ORDER

NOW THEREFORE IT IS ORDERED:

1. That the license of LMC MORTGAGE CORPORATION License No. MB.0005638, shall be placed upon probation for a period of six (6) months commencing with the date of this Order; said probation to include a Department-prepared timetable of required actions by the Licensee and responses due to the Department, an examination each month by the Department at Licensee’s expense for compliance with the Act and Rules, including correction of violations cited in the findings of this Order, and at the conclusion of the six-

month period an examination report and recommendation to be issued to the Director upon which a determination of Licensee's compliance with and ability to operate under the Act and Rules is to be made, and

2. That the license of LMC MORTGAGE CORPORATION License No. MB.0005638, shall be hereby assessed a fine in the amount of \$20,000 for performing licensable activities at two (2) unlicensed Full Service Offices located in Aurora and Oak Lawn, Illinois.
3. The fine in the amount of \$20,000 for unlicensed full service offices shall be paid no later than 30 days after the effective date of this Order upon LMC Mortgage Corporation and be paid by means of a certified check or money order payable to the:

**Department of Financial and Professional Regulation
Division of Banks and Real Estate
500 East Monroe Street
Springfield, IL 62701-1509**

ORDERED THIS 30TH DAY OF DECEMBER 2004

Department of Financial
and Professional Regulation
of the State of Illinois;
FERNANDO E. GRILLO, SECRETARY

BY: _____
David S. Rodriguez
Deputy Director
Division of Banks and Real Estate

You are hereby notified that this Order is an administrative decision. Pursuant to 205 ILCS 635/4-12 and 38 Ill. Adm. Code, 1050.1510 *et seq.* any party may file a request for a hearing on an administrative decision. The request for a hearing shall be filed within 10 days after the receipt of an administrative decision. A hearing shall be held within 30 days after the receipt by the Department of Financial and Professional Regulation, Division of Banks and Real Estate of a request for a

hearing. Absent a request for a hearing, this Order shall constitute a final administrative Order subject to the Administrative Review Law [735 ILCS 5/3-101 *et seq.*].