

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:)
)
) No. 2007-MBR-117
ILLINOIS MORTGAGE FUNDING CORPORATION)
ATTN: Kevin Taylor)
5 Westbrook Corporate Center, Suite 920)
Westchester, IL 60154)

ORDER REVOKING LICENSE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking, (the “Department”), having conducted an examination of Illinois Mortgage Funding Corporation, 5 Westbrook Corporate Center, Suite 920, Westchester, Illinois 60154, (the “Licensee”), and having found that the Licensee has committed violations cited herein of the Residential Mortgage License Act of 1987 [205 ILCS 635] (the “Act”), and of the rules promulgated under the Act [38 Ill. Adm. Code 1050] (the “Rules”) hereby issues this ORDER pursuant to the authority provided under Section 4-5 of the Act. The Department makes the following:

FINDINGS

1. That Illinois Mortgage Funding Corporation is an Illinois residential mortgage licensee holding license No. MB.0006807 (the “License”) and located at 5 Westbrook Corporate Center, Suite 920, Westchester, Illinois 60154;
2. That on or around August 1, 2007, and in part due to a consumer complaint concerning Licensee’s failure to provide a right of rescission notice on a refinancing transaction and further investigation and findings by the Department of unregistered and fraudulent loan originator activities in connection thereto, the Department commenced an examination of Licensee resulting in a Report of Examination (the “Report”) citing numerous and repeated violations by Licensee, the violations found in the current examination are as follows:
 - a. Unregistered Loan Originators - A review of the Licensee’s loan log showed one hundred sixty-four (164) names listed as loan originator for over twelve thousand (12,000) loan applications with consumers without evidence of registration with the Department as well as nine thousand seven hundred and fifty (9,750) additional entries where the loan originator is not listed on the loan log (Sections 2-4 (x) and 7-1 of the Act, Section 1050.2125 (b)(5)(6) of the Rules and further cited in violation of Section 2-4(r) of the Act and Section 1050.2120(a)(c) of the Rules);
 - b. Loan Originators without Continuing Education – fourteen (14) loan originators failed to complete required hours for continuing education for calendar year 2005 and/or 2006

- (Section 1050.2120(a) of the Rules and further cited in violation of Section 2-4(r) of the Act and Section 1050.2120(a) of the Rules);
- c. Loan Originators' Pocket Cards – Licensee failed to notify and return loan originator pocket cards and certificates of registration for two loan originators (Section 1050.2135 of the Rules);
 - d. Licensee's employment agreements – Licensee written employment agreements with loan originators fails to hold Licensee fully accountable for the preparer's actions (Section 1-3(a) (b) and 1-4 (d)(1)(1.5)(3) of the Act, Section 1050.110 of the Rules);
 - e. Loan Brokerage Disclosure Statement – Licensee failed to disclose the affiliation with Global Title Company (Section 1050.1020(b) of the Rules);
 - f. Licensee's averments – Department examiners found several boxes of files, all originated within the exam period, which had been marked for shredding without evidence of scanning (Section 2-4(c) of the Act) and Licensee failed to advise the Department of two judgments entered against Licensee in total amount of thirty-six thousand dollars (\$36,000) (Section 2-4(v) of the Act);
 - g. Loan Brokerage Agreement – Licensee did not provide the registration number of the loan originator on the Loan Brokerage Agreement (Section 1050.1010(h) of the Rules);
 - h. Loan Log – Licensee maintained a loan log containing thousands of loans for which the loan originator field was either empty or contained only a first name) (Section 1050.1175(a) of the Rules);
 - i. Loan File Retention – Licensee failed to maintain the appraisal in the Santiago loan file reviewed in the Department's examination (Section 2-4(c) of the Act and Section 1050.1175(b) of the Rules);
 - j. Advertising – Licensee failed to have the office address on their advertisement reviewed in the Department's examination (Section 3-3(b) of the Act);
 - k. Loan origination violations – Licensee did not provide the Truth in Lending and Good Faith disclosures to borrower Hrpcha within three business days of application (Sections 1050.1140 of the Rules citing 12 CFR 226.19(a)(1) and 24 USC 3500.7(a)(4)) and fees charged at closing were not disclosed in Good Faith Estimate for borrowers Rogers and Medina (Section 1050.1250(a)(b)(c) of the Rules), and borrowers Santiago, Jackson, Rogers and Torres were not given Changes Affecting Loans in Process disclosures (Section 1050.1230 (a) of the Rules), Licensee failed to provide the required Approval Notice for all reviewed files (Section 1050.1305 of the Rules), Rate-Lock for borrower Scott contained missing fields of information (1050.1335(2)(B)(i)(ii)(iv)(v) and borrowers Jackson, Hrpcha and Torres signed the Rate-Lock form and Borrowers Certification and Authorization in blank (Section 1050.1165(f) of the Rules), and initial application for borrower Scott was not signed (1050.1110(e) of the Rules);
 - l. Repeat violations not corrected from prior examination – Licensee continues to practice violations (among the aforementioned violations) that were cited by the Department in prior examination of Licensee, these violations cited in the Report as violations of Good Faith Requirements (Section 1050.1250(a)(b)(c), RESPA (24 USC 3500.7(a)(4), Averments of Licensee (Section 2-4 (x) of the Act, Registration Requirements (Section 7-1 of the Act), Certificate of Registration Issuance (Section 1050.2125(b)(5)(6) of the Rules), Changes Affecting Loans in Process (Section 1050.1230(a) of the Rules), Approval Notice (Section 1050.1305 of the Rules), and Loan Log (Section 1050.1175(a) of the Rules).

CONCLUSIONS

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

Licensee has deficiencies and violations sufficient to support revocation of License No. MB.0006807 and that the numerous and repeat violations in the Report of Examination cannot be corrected without placing consumers and borrowers in continued harm, and further that Licensee has failed to comply with the numerous provisions of the Act for which it has provided surety to the Department.

ORDER

NOW THEREFORE IT IS HEREBY ORDERED that the license of ILLINOIS MORTGAGE FUNDING CORPORATION, License No. MB.0006807 is revoked by Order of the Department pursuant to Section 4-5(h)(1) of the Act for violations cited in the Report of Examination, and further pursuant to Section 4-5(h)(5) the License shall be assessed a fifty thousand dollar (\$50,000) fine due and payable by Licensee for the counts of separate offense and said fine may be partially paid through claim upon the full amount of Licensee's surety bond, effective ten days after receipt of this Order, unless you request a hearing pursuant to the RMLA and Subpart N of the Rules, including remitting the hearing fee required by Section 1050.270 of the Rules.

ORDERED THIS 10th DAY OF SEPTEMBER 2007

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DEAN MARTINEZ, SECRETARY

DIVISION OF BANKING

JORGE A. SOLIS
DIRECTOR

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 and, if so requested, a hearing shall be held on the administrative decision, by the Department of Financial and Professional Regulation, Division of Banking. 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.*].