

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

IN THE MATTER OF:

CARTERET MORTGAGE CORPORATION

ATTN.: Susan Pontani

6211 Centreville Road, Suite 800

Centreville, VA 20121

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No. 2007-MBR-13

ORDER ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having conducted an investigation of activities conducted by Carteret Mortgage Corporation (the “Licensee”) and having documented violations of the Residential Mortgage License Act of 1987 (the “Act”) [205 ILCS 635] and the rules promulgated under the Act (the “Rules”) [38 Ill. Adm. Code 1050], hereby issues this ORDER pursuant to the authority provided under Section 4-5(h)(5) of the Act. The Department makes the following:

FINDINGS

1. That Carteret Mortgage Corporation is an Illinois residential mortgage licensee holding license No. MB.0005435 (the “License”) and located at 6211 Centreville Road, Suite 800, Centreville, Virginia 20121;
2. That commencing on or around February 2007, the Department began an investigation of certain residential mortgage loan files brokered by Licensee for purposes of determining whether they contained fraudulent appraisals and other violations of the Act and Rules;
3. That the Department’s investigation confirmed that Licensee brokered, through its loan originator Tyrone Mathews (“Mathews”), for compensation or in the expectation of compensation, a residential mortgage loan application including a fraudulent appraisal for a property at 6614 S. Hoyne , Chicago, Illinois 60636 (the “Loan”) and that Mathews while employed as a loan originator for Licensee engaged in fraudulent loan referral and appraisal activities relating to other non-Carteret brokered residential mortgage loan financing and flipping transactions for Illinois real estate properties, including, but not limited to, a property at 8115 S. Stewart, Chicago, Illinois 60620; and

4. That the Licensee brokered the Loan and performed other activities under the Act and Rules without implementing reasonable steps ensuring that full service office operations, loan originator services, appraisal ordering and review, and/or processing were properly performed.

CONCLUSIONS

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

That Licensee's activities violate Sections 1-4(r), 3-4, and 4-5(i)(2) of the Act and Section 1050.340 of the Rules, and are in further violation of Section 4-5(i) (11) and (17) of the Act.

ORDER

NOW THEREFORE IT IS HEREBY ORDERED:

1. That Carteret Mortgage Corporation, License No. MB.0005435, shall be and hereby is assessed a fine of \$10,000 for violating the provisions of the Act and Rules cited herein;
2. The total fine in the amount of \$10,000 shall be due thirty (30) days after the effective date of this Order upon Carteret Mortgage Corporation; and
3. The fine in the amount of \$10,000 shall be paid by means of a certified check or money order made payable to the:

**Department of Financial and Professional Regulation
Division of Banking
ATTN: FISCAL DIVISION, 2ND FLOOR
320 W. Washington Street
Springfield, IL 62786**

ORDERED THIS 7TH DAY OF MAY 2007

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DEAN MARTINEZ, SECRETARY

DIVISION OF BANKING

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.*].