

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

IN THE MATTER OF:)
)
) No. 2007-MBR-16-b
NEW FAMILY MORTGAGE, INC.)
License No. MB.6759186)
Attention: Kelly T. Husband)
7416 County Line Road, Suite E)
Burr Ridge, IL 60521)

ORDER REVOKING LICENSE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking, (the “Department”), having conducted an investigation and examination of the facts related to New Family Mortgage, Inc. (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 New Family Mortgage, Inc. is an Illinois residential mortgage licensee holding license No. MB.6759186 (the “License”) and located at 7416 County Line Road, Suite E., Burr Ridge, Illinois 60521;
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 found sufficient evidence that Licensee brokered a residential mortgage loan for a property located at 5332 S. Laflin, Chicago, Illinois 60609 (the “Loan”) using a fraudulent appraisal, that the lender has requested that Licensee repurchase the Loan, including for reason of the fraudulent appraisal and an Emergency Suspension was issued by the Department on May 7, 2007;
4. That the Department is still seeking missing documents from Licensee, having made written request on or around July 30, 2007 and October 18, 2007 for the same, and said missing documents constituting a violation of Section 4-5(i)(14) of the Act pertaining to the investigation and individual sections cited hereinafter of the Act and Rules as to specific documents, and missing information and documents comprising as follows:

4912 W. Jackson, Chicago, Illinois file: missing Loan Brokerage Agreement, Loan Brokerage Disclosure Statement, Borrower Information Document, and Commitment/Approval Letter.

5926 S. Peoria, Chicago, Illinois file: missing Loan Brokerage Agreement, Loan Brokerage Disclosure Statement, Borrower Information Document, and Commitment/Approval Letter.

7412 Princeton, Chicago, Illinois: missing Good Faith Estimate/Truth in Lending disclosed within three days of application, 11/22/05, Initial disclosures-Loan brokerage agreement, Loan brokerage disclosure statement and Borrower information document, appraisal of subject property, approval letter to borrower, income verification document-pay stub-W2, and changes affecting loans in process and blank signed GFE dated 11/22/05 in file without any cost listed.

6126 Morgan, Chicago, Illinois: missing initial disclosures federal and state, including Loan brokerage agreement, Loan brokerage disclosure statement and Borrower information document, initial application, copy of HUD-1 for 2nd mortgage, approval letter to borrower, and changes affecting loans in process.

12S476 Christopher, Lemont, Illinois: missing copy of HUD-1 for 2nd mortgage, approval letter to borrower, and changes affecting loans in process

5. That the Department has further documented evidence through an open examination and supervision that Licensee has committed other violations of the Act and Rules, including, but not limited to, failure to provide certain disclosures to consumers, properly document loan activities in its loan logs, submit acceptable annual financial statements for the years 2004, 2005, and 2006 and prove that Licensee is maintaining minimum net worth.

CONCLUSIONS

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

Licensee violated Sections 4-5(i)(2) of the Act by brokering a mortgage financing transaction with fraudulent documentation, Section 4-5(i)(14) of the Act and Section 1050.1175 of the Rules by not properly maintaining books, records, and loan logs, and Section 3-2 of the Act in not providing proper financial documentation to prove maintenance of minimum net worth as required by Section 3-5 of the Act, and of further violation of various loan disclosures as required by the Act and Rules, including Rules Sections 1050.1010, 1050.1020, 1050.1110, 1050.1230, 1050.1305, 1050.1350 and said violations sufficient to support revocation and fine of License No. MB.6759186.

ORDER

NOW THEREFORE IT IS HEREBY ORDERED that the license of NEW FAMILY MORTGAGE, INC. License No. MB.6759186 is revoked by Order of the Department pursuant to Section 4-5(h)(1) of the Act for violations cited herein 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 1050.210 of the Rules.

ORDERED THIS 2ND DAY OF NOVEMBER 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.*].