

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

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

**ORDER OF EMERGENCY SUSPENSION**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the "Department"), having reviewed the facts related to New Family Mortgage, Inc. (the "Licensee") located at 7416 County Line Road, Suite E, Burr Ridge, Illinois 60521 and holding Illinois residential mortgage license number MB.6759186 (the "License") pursuant to 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(c) of the Act. The Department makes the following:

**FINDINGS**

1. 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;
2. That the Department's investigation is ongoing, but in conjunction with said investigation the Department has found 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 Licensee repurchase the Loan, including for reason of the fraudulent appraisal, and that the Department has under investigation additional residential mortgage loans brokered by Licensee for which there is preliminary evidence of appraisal fraud;
3. 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; and

**CONCLUSIONS**

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

That Licensee has violated Sections 2-4(d), (t), and (x), 3-2, 3-5, 4-5 (c) and 4-5 (i) (2) (11), and (17) of the Act and Sections 1050.410, 1050.1175, 1050.1230, and 1050.1305 of the Rules.

**ORDER**

IT IS THEREFORE ORDERED that the Department on good cause shown that an emergency exists suspends NEW FAMILY MORTGAGE, INC. for a period not exceeding 180 days, pending further investigation. You are hereby notified that this Order is an administrative decision pursuant to Section 4-12 of the Act.

DATED THIS 7<sup>TH</sup> DAY OF MAY 2007

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
DEAN MARTINEZ, SECRETARY

DIVISION OF BANKING

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