

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

IN THE MATTER OF:)
)
) No. 2008-MBR-136
COMPASS HOME FINANCE CORPORATION)
License No. MB.0005098)
Attention: Alexander Ilich)
1645 N. Ashland Ave.)
Chicago, IL 60622)

ORDER REVOKING LICENSE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having examined Compass Home Finance Corporation, (the “Licensee”) and 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) (1) of the Act. The Department makes the following:

FINDINGS

1. That Compass Home Finance Corporation is an Illinois residential mortgage licensee holding license number MB.0005098 (the “License”) and located according to Department records at 1645 North Ashland Avenue, Chicago, Illinois, 60622;
2. That on September 29, 2008, the Department conducted an examination of Licensee for the exam period 6/30/2005 to 7/31/2008 and the examiner found several violations by the Licensee of the Act and Rules as subsequently cited in the Report of Examination (the “ROE”) as follows:
 - a. Net Worth Requirement – Licensee failed to provide financial statements for Fiscal Years ending 12/31/2006 and 12/31/2007. Licensee has failed to provide evidence that the required minimum net worth is being constantly maintained (violation of Section 3-5 of the Act);
 - b. Change in Business Activities – Licensee’s lease expired for the corporate office of record. Licensee did not have a physical office location at the time of examination. Exam was conducted at 1455 N. Ashland Ave., Chicago, Illinois 60622 (violation of Section 1050.475 of the Rules);
 - c. Averments – Licensee failed to provide 2007 federal tax returns or an explanation why the return was not filed (violation of Section 2-4(h) of the Act);

- d. Loan Log – Licensee failed to include 10 required fields of information in its loan log as cited in the ROE (violation of Section 1050.1175 of the Rules);
 - e. Loan Brokerage Agreement – Licensee failed to include the loan originator’s registration number in the loan brokerage agreements for all files reviewed in the ROE;
 - f. Truth-In-Lending (“TIL”) – Licensee failed to provide variable rate disclosure for four borrowers identified in the ROE who applied for adjustable rate loans; initial loan applications in two borrowers’ files identified in the ROE were not dated by the borrower resulting in lack of evidence that the Good Faith Estimate (“GFE”) and TIL disclosures were provided in the required time period (violation of Section 1050.1350 citing 12 CFR 226.19);
 - g. Changes Affecting Loans in Process – Licensee failed to provide notice of changes in interest rates or loan terms in three borrowers’ loan files (violation of Section 1050.1230 of the Rules);
 - h. Employment Agreement – Licensee failed to include employer responsibility statement in its employment agreement with loan originators (violation of Section 1050.110 of the Rules);
 - i. Loan Originator Continuing Education – Licensee was not in compliance with the loan originator continuing education requirement for five loan originators in calendar years 2005, 2006, and 2007 as cited in the ROE (violation of Section 1050.2120 of the Rules); and
 - j. Loan Originator Registration – Licensee failed to provide evidence that five loan originator employees (Miljkovic, Jurek, Bravieri, Glumac and Oakes) were properly registered in providing loan originator services on a total of 56 loan transactions (violation of Sections 2-4(z) and 7-1 of the Act, and Section 1050.2125 of the Rules);
3. That on October 10, 2008, the Department’s Examination Section mailed the ROE, along with an invoice for exam fees of \$952, to the Licensee with U.S. first class postage with a due date of 10 days for the Licensee to submit its written response to the examination findings back to the Department; and
 4. That the Licensee failed to submit a response by the due date, and that the Examination Section referred the matter to the Legal Section for enforcement action.

CONCLUSIONS

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

That notwithstanding notices and other efforts by the Department, Licensee is in violation of Sections 2-4, 3-5, and 7-1 of the Act and Sections 1050.110, 1050.475, 1050.1010, 1050.1175, 1050.1230, 1050.1350, 1050.2120, and 1050.2125 of the Rules, and is in further violation of Sections 4-5(i) (11) and (17) of the Act.

ORDER

NOW THEREFORE IT IS HEREBY ORDERED that the license of **COMPASS HOME FINANCE CORPORATION**, License No. MB.0005098 is revoked by Order of the Department pursuant to Section 4-5(h) (1) of the Act for failure to comply with the provisions cited herein of the Act and Rules, effective ten days after receipt of this Order, unless you request a hearing pursuant to the Act and Subpart N of the Rules, including remitting the hearing fee required by Section 1050.210 of the Rules.

ORDERED THIS 17TH DAY OF NOVEMBER, 2008

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.*].