

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

IN THE MATTER OF: )  
)  
) No. 2009-MBR-105  
**COMMUNITY MORTGAGE CORPORATION** )  
License No. MB.0005938 )  
Attention: Susan M. Larson )  
799 Roosevelt Road, Building 3, Suite 108 )  
Glen Ellyn, IL 60137 )

**ORDER REVOKING LICENSE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having examined Community Mortgage 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 Community Mortgage Corporation an Illinois residential mortgage licensee holding license number MB.0005938 (the “License”) and located at 799 Roosevelt Road, Building 3, Suite 108, Glen Ellyn, IL, 60137;
2. That the Department found violations of the Act and Rules in the Report of Examination (“ROE”) of Licensee for the period 12/01/2006 to 12/31/2008 and as transmitted by the Department to Licensee on February 24, 2009. Based upon the ROE, the following violations were cited:
  - a. Annual Audit – Licensee maintained its accounts on a cash basis, rather than the accrual basis required by the Act (violation of Section 3-2 of the Act);
  - b. Net Worth Requirement – Licensee failed to meet the minimum required net worth of \$50,000 for the fiscal years ending December 31, 2006, December 31, 2007, and December 31, 2008 (violation of Section 3-5 of the Act and Section 1050.410(c) of the Rules);
  - c. Continuing Education Requirement – Licensee failed to provide documentary evidence that loan officers Paul Stewart and Dwayne Williams had fulfilled their continuing education requirements for 2006 (violation of Section 1050.2120 of the Rules);

- d. Loan Brokerage Agreement – Licensee failed to include the loan officer name on the Brokerage Agreements in nine (9) loan files cited in the ROE (violation of Section 1050.1010 of the Rules);
  - e. Changes Affecting Loans in Process – Licensee failed to complete the notification of changes in loan process form in three (3) loan files cited in the ROE (violation of Section 1050.1230 of the Rules);
  - f. Good Faith Requirements – Licensee failed to disclose Yield Spread Premium (the “YSP”) in two (2) loans files cited in the ROE (violation of Section 1050.1250 of the Rules);
  - g. Approval Notice – Licensee failed to disclose the loan commitment expiration date in the commitment letter in six (6) loan files cited in the ROE and the loan amount disclosed in the commitment letter differs from the actual loan amount paid through the HUD-1 in two (2) additional loan files cited in the ROE (violation of Section 1050.1305 of the Rules);
  - h. Fees and Charges & Rate Lock Agreements – Licensee failed to provide a completed and signed interest rate lock agreement between borrower and broker in five (5) loan files cited in the ROE. The YSP paid through the HUD-1 differs from the amount disclosed in the Good Faith Estimate (“the GFE”) found in four (4) loan files cited in the ROE (violation of Section 1050.1335 of the Rules and Regulatory Bulletin JS 93/1 of December 1993);
  - i. Compliance with Other Laws – Licensee failed to have documentary evidence of borrower approval prior to pulling the credit report in two (2) loan files cited in the ROE in violation of 15 USC §1681b.604, and failed to disclose the YSP as a dollar amount or range on the initial GFE in one loan file cited in the ROE in violation of 24 CFR §3500.7(c) (violation of Section 1050.1350 of the Rules);
3. That Licensee had repeat violations from a prior examination of compliance with other laws, GFE, and continuing education of loan originators (citing Sections 1050.1350 and 1050.2120 of the Rules and 24 CFR §3500.7(c));
  4. That on February 24, 2009, Examination Section mailed the ROE along with letter to the Licensee. The letter explained that Licensee received a 5 rating, and that Licensee had ten (10) days to submit an explanatory letter responding to the violations cited in the ROE;
  5. That on March 10, 2009, Examination Section, not having received Licensee’s explanatory letter, closed the examination file with the recommendation that Licensee’s License be revoked. The issue was transferred to the Legal Section for enforcement.

## **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 3-2 and 3-5 of the Act and Sections 1050.410, 1050.1010, 1050.1230, 1050.1250, 1050.1305, 1050.1335, 1050.1350 and 1050.2120 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 COMMUNITY MORTGAGE CORPORATION, License No. MB.0005938 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 31<sup>ST</sup> DAY OF MARCH, 2009

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
MICHAEL T. MCRAITH, ACTING SECRETARY

DIVISION OF BANKING

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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.*].**