

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

IN THE MATTER OF:)
)
) No. 2009-MBR-163
NLC OF ILLINOIS)
License No. MB.6759187)
Attention: Katherine Le)
3673 Westcenter Drive)
Houston, TX 77042)

ORDER REVOKING LICENSE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having reviewed and examined the activities of NLC of Illinois (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 Sections 4-5 (h)(1) & (5) of the Act. The Department makes the following:

FINDINGS

1. That NLC of Illinois is an Illinois residential mortgage licensee holding inactive, lapsed license No. MB.6759187 (the “License”) and located at 3673 Westcenter Drive, Houston, Texas 77042;
2. That the Department found violations of the Act and Rules in the Report of Examination (“ROE”) of Licensee for the examination period 06/01/2004 to 05/31/2007 and as transmitted by the Department to Licensee on or around 6/10/2008. Based upon the ROE, the following violations were cited:
 - a. Employment Agreement – Licensee failed to take responsibility in its employment agreement for loan originator activities taken under the License (violation of Act Section 1-4);
 - b. Annual Audit – Licensee failed to provide financial statements for the year ended 12/31/2006 (violation of Act Section 3-2);
 - c. Net Worth Requirement – Licensee failed to verify net worth by providing financial statements for the year ended 12/31/2006 (violation of Act Section 3-5 and Rules Section 1050.410);
 - d. Loan Brokerage Agreement – Licensee failed to document use of a loan brokerage agreement (violation of Rules Section 1050.1010);

- e. Loan Brokerage Disclosure Statement – Licensee failed to document use of a loan brokerage disclosure statement (violation of Rules Section 1050.1020);
 - f. Borrower Information Document – Licensee failed to document use of a borrower information document (violation of Rules Section 1050.1110);
 - g. Maintenance of Records – Licensee failed to provide a loan log containing all required fields of information; the application date, seller name, property address, loan originator registration number, processor name, appraiser name and appraiser license number, and amount of points and fees were missing from the loan log. Also, items 2 (d), (e), & (f) were missing from the reviewed loan files (violation of Rules Section 1050.1175);
 - h. Continuing Education – Licensee failed to have each loan originator, ten (10) total, complete a minimum of 3 hours of continuing education prior to 2005, 6 hours for 2005 and each year thereafter (violation of Rules Section 1050.2120);
 - i. Approval Notice – Licensee failed to provide an approval/commitment notice in one loan file (violation of Rules Section 1050.1305);
 - j. Compliance with Other Laws – Licensee failed to provide evidence that a Truth in Lending disclosure was provided within three (3) days of application for two (2) loan files (violation of Rules Section 1050.1350 citing federal Regulation Z/Truth in Lending 12 CFR 226.19(a)(1));
3. That in the ROE, the Department included a Memorandum stating that Licensee was required to attend a supervisory meeting rescheduled and held on August 12, 2008, and that Licensee attended the supervisory meeting with the Department and Licensee was requested to provide supporting documents to support its claims of corrective action on or before September 2, 2008 and failed to provide said documents;
 4. That on January 29, 2008, Supervision Section closed the examination file with the recommendation that an enforcement action be taken against Licensee, the issue was transferred to the Legal Section;
 5. That on March 10, 2009, the Department received a letter stating Licensee’s intent not to renew the License; however, Licensee was in enforcement for the ROE and subject to discipline; and
 6. That on May 19, 2009 the Department mailed by U.S. first class and certified mail a Potential Disciplinary Letter to Licensee and the Department received a signed return receipt on May 29, 2009 and no further communication has been received by the Department from the Licensee.

CONCLUSIONS

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

That notwithstanding notices and other efforts by the Department, Licensee violated Sections 1-4, 2-4, 3-2, and 3-5 of the Act, and Sections 1050.410, 1050.1010, 1050.1020, 1050.1110, 1050.1175, 1050.1305, 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 pursuant to Sections 4-5(h) (1) & (5) of the Act the license of NLC of Illinois, License No. MB.6759187 is revoked and fined \$5,000 for failure to have ten (10) loan originators complete continuing education as cited in the ROE and 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 18TH DAY OF JUNE, 2009

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