

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

IN THE MATTER OF: )  
)  
) No. 2009-MBR-31  
**DYNAMIC CAPITAL LENDING CORP.** )  
License No. MB.6760424 )  
Attention: Roberto Delgado )  
4260 Westbrook Drive, Suite 111 )  
Aurora, IL 60504 )

**ORDER REVOKING LICENSE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having examined and investigated the activities of Dynamic Capital Lending 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 Dynamic Capital Lending Corp. is an Illinois residential mortgage licensee holding license number MB.6760424 (the “License”) and located at 4260 Westbrook Drive Suite 111, Aurora, Illinois, 60504;
2. That on November 19, 2008, the Department commenced an investigation of the Licensee based upon an anonymous complaint letter alleging that Roberto Delgado (“Delgado”), the owner of Licensee, was employing unregistered loan originators and involved in other violations of the Act and Rules, and that the Department Investigator after performing extensive interviews with named parties and borrowers as well as a review of loan logs and documents, filed a Report of Investigation (the “ROI”) on February 2, 2009 citing violations of the Act and Rules as follows:
  - a. Necessity for License (violation of Section 1-3 of the Act);
  - b. Averments of Licensee (violation of Sections 2-4(f),(j),(k),(o),(t),(z) of the Act; Section 2-4(z) is cited for employing unregistered loan originators Ricardo Reyes (“Reyes”) and Martin Enciso (“Enciso”));
  - c. Posting of License (violation of Section 2-9 of the Act);
  - d. Advertising (violation of Section 3-3 of the Act and Section 1050.910 of the Rules);

- e. Maintenance of Records (misrepresenting names of loan originators on the loan log) (Section 1050.1175 of the Rules); and
  - f. Loan Originator Certificate of Registration (Section 1050.2125 of the Rules);
3. That on December 4, 2008, the Department commenced an examination of Licensee for the exam period 10/01/2007 to 10/31/2008 and the examiner found additional and related violations by the Licensee of the Act and Rules cited in the Report of Examination (the “ROE”) as follows:
- a. Definition of “Exempt Person or Entity” – Licensee utilized the services of Reyes and Michael Fehrenbacher (“Fehrenbacher”), who were not registered as loan originators for Licensee (violation of Section 1-4(d)(3) of the Act);
  - b. Annual Audit – Licensee had a CPA compile its financial statements for the fiscal year ending 12/31/2008 on 7/18/2008, and more than 90 days after the end of Licensee’s fiscal year as required by the Act (violation of Section 3-2(g) of the Act);
  - c. Net Worth Requirement – Licensee failed to meet the minimum net worth requirement of \$50,000 for the fiscal year ending 12/31/2007 and for the period ending 10/31/2008 as stated in the ROE (violation of Section 3-5 of the Act and Section 1050.410(c) of the Rules);
  - d. Report Required of Licensee; False Statements; Delay; Penalties – Department found discrepancies as noted in the ROE in the Licensee’s submission of a compiled financial statements, ostensibly prepared by a certified public accountant, as of the examination effective date, 10/31/2008 (violation of Section 4-4 of the Act);
  - e. Registration Required of Licensee; Rules and Regulation – Licensee failed to properly employ registered individuals as loan originators, including deficiencies noted in the ROE related to Enciso and Anthony Garcia (“Garcia”), and loan referral activities of Reyes and Fehrenbacher (violation of Sections 2-4(z) and 7-1 of the Act, and Section 1050.110 and 1050.1010 of the Rules);
  - f. Loan Brokerage Agreements – Licensee failed to provide a Loan Brokerage Agreement in 1 loan file, and failed to note the loan originator registration number on the Loan Brokerage Agreement in 9 loan files, and the examiner noted discrepancies in a loan originator’s signature on loan documents cited in the ROE (violation of Section 1050.1010);
  - g. Borrower Information Document – Licensee failed to have a co-borrower sign the Form 1003 document and put it in the loan file (violation of Section 1050.1110(e) of the Rules);
  - h. Maintenance of Records. Loan File Retention – Licensee failed to maintain documents from the lenders, as cited in the ROE, and necessary to the borrowers received the terms they were offered at the time of the application (violation of Section 1050.1175(b) of the Rules);
  - i. Changes Affecting Loans in Process – Licensee failed to maintain documents that were to be given to the borrower, as cited in the ROE, and necessary to notify a borrower of any changes to the loan (violation of Section 1050.1230 of the Rules);
  - j. Good Faith Requirements – Licensee failed to disclose the Yield Spread Premium in the original Good Faith Estimates issued to 5 borrower(s) (violation of Section 1050.1250 of the Rules);
  - k. Approval Notice – Licensee dated the Loan Conditional Approval form before the Loan Interest Lock date in a loan file (violation of Section 1050.1305 of the Rules);

- l. Fees and Charges – Licensee failed include the Interest Rate Lock Agreement between the borrower and the broker in a loan file (violation of Section 1050.1335(a) of the Rules);
  - m. Averments – Licensee failed to fully disclose a borrower’s liabilities in the Form 1003 and Licensee failed to fully complete a Notification of Change in Loan in Process form that was issued to a borrower (violation of Section 1050.2165(e) & (f) of the Rules);
  - n. Rate Lock-In and Borrower Information Document – Licensee failed to maintain rate lock confirmation by the lenders in a loan file. Licensee failed either failed to disclose the initial Good Faith Estimate or was substantially different from the amount paid through HUD-1 to the amount disclosed in the Good Faith Estimate in 6 loan files (violation of the Regulatory Bulletin JS9311 of 1993 through Section 6-1 of the Act);
  - o. Compliance with Other Laws – Licensee shall comply with applicable Federal and State statutes and regulations (violation of Section 1050.1350 of the Rules);
  - p. USA Patriot Act 2001 – Licensee failed to document evidence of borrower identification in 2 loan files (violation of USA Patriot Act 2001 P.L. 107.56-326(a)(1)(2));
  - q. Truth in Lending – Licensee incorrectly calculated and disclosed the Annual Percentage Rate in the initial Truth in Lending disclosure form in 2 loan files (violation of 15 USC 1601);
  - r. Permissible Purposes of Consumer Reports – Licensee obtained a credit report before documentary evidence of borrower authorization was received (violation of 15 USC 1681b.604);
  - s. Liquidity Requirement – Licensee failed to maintain a minimum 20% of adjusted net assets in cash or cash equivalents (violation of 24 CFR (b)(1)(2));
  - t. Good Faith Estimate - Licensee failed either failed to disclose the initial Good Faith Estimate or was substantially different from the amount paid through HUD-1 to the amount disclosed in the Good Faith Estimate in 6 loan files (violation of 24 CFR 3500.7(c));
4. That on December 23, 2008, the Department’s Examination Section mailed the ROE 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
  5. That on January 6, 2008 Department received a response from Licensee in regards to the December 23, 2008 Potential Discipline Letter and found the response to not adequately address the numerous violations of the Act and Rules cited in the ROE, nor the Licensee’s responses during the Department’s investigation to adequately address the violations of the Act and Rules cited in the ROI.

## 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 1-3, 1-4, 2-4, 2-9, 3-2, 3-3, 3-5, 4-4, and 7-1 of the Act and Sections 1050.110, 1050.410, 1050.910, 1050.1010, 1050.1110, 1050.1175, 1050.1230, 1050.1250, 1050.1305, 1050.1335, 1050.1350, 1050.2125, 1050.2165 and 1050.2220 of the Rules.

## ORDER

NOW THEREFORE IT IS HEREBY ORDERED that the license of DYNAMIC CAPITAL LENDING CORPORATION, License No. MB.6760424 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 18<sup>TH</sup> DAY OF FEBRUARY, 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.*].**