

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

IN THE MATTER OF:)
)
) No. 2009-MBR-35
LA VIVIENDA FINANCIAL, LLC)
License No. MB.6759861)
Attention: Connie Sanchez)
3421 W. Armitage)
Chicago, IL 60647)

ORDER REVOKING LICENSE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the "Department"), having examined La Vivienda Financial, LLC, (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 La Vivienda Financial, LLC an Illinois residential mortgage licensee holding inactive, lapsed license number MB.6759861 (the "License") and located at 3421 W. Armitage, Chicago, IL, 60647;
2. That the Department found violations of the Act and Rules in the Report of Examination ("ROE") of Licensee for the period 08/4/2005 to 09/30/2007 and as transmitted by the Department to Licensee on 6/9/2008. Based upon the ROE, the following violations were cited:
 - a. Averments of Licensee – Licensee failed to submit copies of documents for examination by the Department (violation of Sections 2-4(d)(r)(t) and 4-5(i)(11)(14) of the Act);
 - b. Net Worth Requirement – Licensee failed to document that it maintained minimum net worth during the examination period as Licensee did not submit financial statements for interim period ending 9/30/2007 and fiscal year ending 12/31/2006 (violation of Section 3-5 of the Act and Section 1050.410(c) of the Rules);
 - c. Annual Audit – Licensee was unable to provide financial statements for interim period ending 9/30/2007 and fiscal year ending 12/31/2006 (violation of Section 3-2(g) of the Act);
 - d. Late Audit Reports – Licensee failed to submit its fiscal year end financial statements as of 12/31/2006 within 90 days after the end of the Licensee's fiscal year to the

- Department (violation of Section 3-2(d) of the Act and Section 1050.430 of the Rules)
- e. Employment Agreements – Licensee failed to define employees as being accountable under the License (violation of Section 1-4 of the Act and Section 1050.110 of the Rules);
 - f. Maintenance of Records – Licensee failed to complete information and/or had missing information in the mortgage loan files utilized in loan origination for borrowers as cited in the ROE (violation of Sections 1050.1140 and 1050.1175(b)(B) of the Rules);
 - g. Rate Lock/Float Option – Licensee failed to provide the four (4) borrowers with a Rate-Lock Agreement as cited in the ROE (violation of Sections 1050.1335(2)(A) and 1050.1140 of the Rules);
 - h. Changes Affecting Loans in Process – Licensee failed to provide the required Notice of Change Affecting Loans in Process to borrowers when changes occurred prior to closing in three (3) closed loan files as cited in the ROE (violation of Section 1050.1350 of the Rules);
 - i. Loan Application Procedures – Licensee used an appraisal that was completed before the mortgage loan application was taken in two (2) loan files as cited in the ROE (violation of Section 1050.1140 of the Rules);
 - j. Yield Spread Premium – Licensee failed to correctly disclose the yield spread premium on the Good Faith Estimate in three (3) loan files as cited in the ROE (violation of Sections 1050.1250 and 1050.1350 of Rules, Title 24 HUD, RESPA 3500.7(c));
 - k. Advertisement Requirement – Licensee committed five (5) advertising violations that are cited in the ROE (violation of Sections 2-9 and 3-3(b)(c) of the Act and Sections 1050.910, 1050.930, and 1050.940(a)(b) of the Rules);
 - l. Loan Brokerage Agreement – Licensee failed to give a written and signed Loan Brokerage Agreement before application or consideration in five (5) loan files as cited in the ROE (violation of Section 1050.1010 of the Rules);
 - m. Loan Brokerage Disclosure – Licensee failed to give a written and signed Loan Brokerage Statement before application or consideration in five (5) loan files as cited in the ROE (violation of Section 1050.1020 of the Rules);
 - n. Borrower Information Document – Licensee failed to give a Borrower Information Document before applicant signed or consideration in five (5) loan files as cited in the ROE (violation of Section 1050.1110 of the Rules);
 - o. Loan Log – For the period of the ROE 8/4/2005 thru 9/30/2007, Licensee’s loan log was missing the following required fields of information: corporate or full service office and license number, where the application taken (violation of Section 1050.1175(a)(11) of the Rules);
 - p. Continuing Education – Licensee failed to provide proof of continuing education documentation for loan originator, Y. Gonzales for calendar year 2006 (violation of Section 1050.2120(a) of the Rules);
3. That the Department assigned the Licensee to Supervision based upon the violations cited in the ROE, and on 6/17/2008 the Department mailed a Memorandum stating that Licensee was required to attend a supervisory meeting on 11/19/2008 and provide additional information at said meeting;

4. That on 7/26/2008 Licensee's License lapsed without application for renewal or to surrender the License;
5. That Licensee failed to attend the mandatory supervisory meeting on 11/19/2008 and was sent a second letter requesting additional information, including the 2007 financial statements and brokerage activity report, and rescheduling the mandatory supervisory meeting to 12/1/2008;
6. That Licensee failed to attend the rescheduled mandatory supervisory meeting on 12/1/2008;
7. That on 12/2/2008, Licensee applied for surrender of the License; however, said application did not remove the responsibility to attend the mandatory supervisory meeting, provide documentation of corrections and compliance, and comply with license surrender guidelines;
8. That on 12/2/2008, 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; and
9. That on 1/21/2009, Legal Section mailed Licensee a Potential Discipline Letter advising of discipline for violations cited in the ROE and failure to properly respond to Supervision and other requirements of the Act and Rules, and that Licensee has contacted the Department, but never sufficiently responded to the aforementioned violations and documented its compliance with the Act and Rules.

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 1-4, 2-4, 2-9, 3-2, 3-3, 3-5, and 4-2 of the Act and Sections 1050.110, 1050.410, 1050.430, 1050.910, 1050.930, 1050.940, 1050.1010, 1050.1020, 1050.1110, 1050.1140, 1050.1175, 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), (14), and (17) of the Act.

ORDER

NOW THEREFORE IT IS HEREBY ORDERED that the license of LA VIVIENDA FINANCIAL, LLC, License No. MB.6759861 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 18TH DAY OF FEBRUARY, 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.*].