

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:)
)
) No. 2009-MBR-77
AMERICAN HOME MORTGAGE LENDERS, INC.)
D/B/A VETERANS MORTGAGE)
License No. MB.6759217)
Attention: David Knop)
89 W. Main Street, #202)
West Dundee, IL 60118)

ORDER REVOKING LICENSE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having examined American Home Mortgage Lenders, Inc. D/B/A Veterans Mortgage, (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 American Home Mortgage Lenders, Inc. D/B/A Veterans Mortgage is an Illinois residential mortgage licensee holding license number MB.6759217 (the “License”) and located at 89 W. Main Street, #202, West Dundee, Illinois, 60118;
2. That the Department found violations of the Act and Rules in the Report of Examination (“ROE”) of Licensee for the period 8/1/2007 to 12/31/2008 and as transmitted by the Department to Licensee on February 10, 2009. Based upon the ROE, the following violations were cited:
 - a. Averments of Licensee, Annual Audit, & Examination Prohibited Activities – Licensee failed to provide either the State or Federal tax returns for 2007. Licensee failed to provide a Certified Public Accountant (“CPA”) audited or compiled financial statement for the fiscal year ending 9/9/2008 and audited or compiled financial statements as of the 12/31/2008 examination period. Licensee further failed to produce bank and other account statements and reconciliations for Department review as of 9/30/2007, 9/30, 2008, and 12/31/2008 as well as W-2 forms (violation of Sections 2-4, 3-2, and 4-2 of the Act);

- b. Maintenance of Records – Licensee failed to provide a loan log that contained information regarding Annual Percentage Rate, processor name and license number, if applicable, and appraiser names and license numbers. Licensee also failed to produce the Final Truth In Lending disclosure in two (2) loan files (violation of Section 1050.1175(a) and (b) of the Rules);
 - c. Loan Brokerage Agreement – Licensee failed to provide the loan officer name on the Brokerage Agreement in four (4) loan files (violation of Section 1050.1010(h) of the Rules);
 - d. Changes Affecting Loans in Process – Licensee failed to provide the required Notice of Change Affecting Loans in Process to a borrower when changes occurred prior to closing in two (2) loan files (violation of Section 1050.1230 of the Rules);
 - e. Good Faith Requirements – Examiner found that the Yield Premium paid through HUD-1 materially differs from the amount disclosed by Licensee in the Good Faith Estimate in one (1) loan file (violation of Section 1050.1250 of the Rules and Regulatory Bulletin JS 93/1 of December 1993);
 - f. Approval Notice – Licensee failed to provide a loan approval/commitment letter in one (1) loan file (violation of Section 1050.1305 of the Rules);
 - g. Compliance with Other Laws – Licensee was found in violation of other laws cited in the ROE, including the Truth in Lending Act (TILA) for failure to disclose final Truth in Lending disclosure, Reg. Z (TILA Regulations) for improper determination of the Annual Percentage Rate (APR), and the U.S.A. Patriot Act 2001 P.L. § 107.56 – 326(a)(1)(2) for failure to provide borrower identification document (violation of Section 1050.1350 of the Rules);
3. That Licensee failed to correct violations from a prior examination. Licensee had repeat violations of Section 3-2 of the Act and Sections 1050.1010, 1505.1305, and 1050.1350 of the Rules;
 4. That on February 10, 2009, Examination Section mailed the ROE along with letter to the Licensee directing that Licensee had 10 days to submit an explanatory letter responding to the violations cited in the ROE;
 5. That on February 23, 2009, the Department received Licensee’s response to violations cited in the ROE. Department has reviewed the explanatory letter and found it to be unsatisfactory; and
 6. That on February 24, 2009, Examination Section closed the examination file with the recommendation that the License be revoked. The issue was transferred to the Legal Section.

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 Section 2-4, 3-2, and 4-2 of the Act and Sections 1050.1010, 1050.1175, 1050.1230, 1050.1250, 1050.1305, and 1050.1350 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 AMERICAN HOME MORTGAGE LENDERS, INC. D/B/A VETERANS MORTGAGE, License No. MB.6759217 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 16TH DAY OF MARCH, 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.*].