

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

IN THE MATTER OF:)
)
) No. 2009-MBR-78
DESI MORTGAGE, INC.)
License No. MB.6760346)
Attention: Jean Malary)
30 S. Stolp Avenue, Suite 207)
Aurora, IL 60506)

ORDER REVOKING LICENSE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having examined Desi Mortgage, Inc., (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 Desi Mortgage, Inc. is an Illinois residential mortgage licensee holding license number MB.6760346 (the “License”) and located at 30 S. Stolp Avenue, Suite 207, Aurora, Illinois, 60506;
2. That the Department found violations of the Act and Rules in the Report of Examination (“ROE”) of Licensee for the period 06/01/2007 to 10/31/2008 and as transmitted by the Department to Licensee on January 5, 2009. Based upon the ROE, the following violations were cited:
 - a. Averments of Licensee – Licensee failed to provide Federal corporate tax returns for 2007 (violation of Section 2-4 of the Act);
 - b. Annual Audit – Licensee failed to timely produce 2007 audited financial statements for the fiscal year ending December 31, 2007. Licensee far exceeded the 90 day time limit by providing the 2007 audited financial statements on October 9, 2008 (violation of Section 3-2(g) of the Act);
 - c. Net Worth Requirement – Licensee failed to meet the minimum required net worth of \$50,000.00 for the fiscal year ending December 31 2007. As of December 31, 2007, the Licensee had maintained a net worth of \$8,889.00 and as of the examination effective date of October 31, 2008, maintained a net worth of \$6,938.00 (violation of Section 3-5 of the Act and Section 1050.410(c) of the Rules);

- d. Examination; Prohibited Activities – Licensee failed to provide copies of bank statements along with reconciliations for the period ending December 31, 2007 and for the period from May 2008 to October 2008 (violation of Section 4-2 of the Act);
 - e. Definitions; “Employee” and “person employed” – Licensee failed to assume full and direct responsibility in writing for employees performing licensable activities (violation of Section 1050.110 of the Rules);
 - f. Liquidity Requirement – Licensee failed to maintain a minimum of 20% of the adjusted net worth or \$10,000.00 in cash or cash equivalents to meet liquidity requirements for the year end 2007 and as well as the examination effective date (violation of Section 24 CFR 202.7(b)(1)(2));
 - g. Loan Brokerage Agreement – Licensee failed to include the Loan Brokerage Agreement signed by the borrowers in seven (7) loan files. The Loan Brokerage Agreement found in one loan file was not signed by neither the borrower nor the loan originator and the Loan Brokerage Agreement in the one loan file was not completed in its entirety (violation of Section 1050.1010(b) of the Rules);
 - h. Loan Brokerage Disclosure – Licensee failed to include a Loan Brokerage Disclosure statement signed by the borrower to acknowledge receipt of a copy of the disclosure in nine (9) loan files (violation of Section 1050.1020 of the Rules);
 - i. Borrower Information Document – Licensee failed to disclose the borrower’s liabilities in the loan application in one loan file and the loan application found in four (4) loan files was not signed nor dated by the applicants (violation of Sections 1050.1110(b) and (e) of the Rules);
 - j. Rate Lock Agreements, Fees and Charges, & Maintenance of Records – Licensee failed to provide a complete and signed interest rate lock agreement between the borrower and broker in eight (8) loan files and Licensee failed to provide any documentary evidence of borrower identification in four (4) loan files (violation of Sections 1050.1175(b) and 1050.1335(a) of the Rules and Regulatory Bulletin JS 93/1 of December 1993);
 - k. Averments – Examiner found Loan Originator signature discrepancies on loan forms as cited in the ROE (violation of Section 1050.2165(e) & (f) of the Rules);
 - l. 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 the Annual Percentage Rate correctly in the Truth In Lending Disclosure and failure to complete the initial Truth In Lending disclosure properly and obtaining a credit report before documented approval was received, and for the U.S.A. Patriot Act 2001 P.L. § 107.56 – 326(a)(1)(2) for failure to provide Borrower Identification (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 2-4, 3-2, 3-5, and 4-2 of the Act and Sections 1050.110 and 1050.410 of the Rules.
 4. That on January 5, 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; and

5. That the Examination Section closed the examination file with the recommendation that the License be revoked. The Licensee failed to submit an explanatory letter by the January 15, 2009 deadline and has failed to timely pay the examination fee of \$1,156 which remains outstanding. 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, 3-5, and 4-2 of the Act and Sections 1050.110, 1050.410, 1050.1010, 1050.1020, 1050.1110, 1050.1175, 1050.1335, 1050.1350 and 1050.2165 of the Rules; and is in further violation of Sections 4-5(i) (11), (13), and (17) of the Act.

ORDER

NOW THEREFORE IT IS HEREBY ORDERED that the license of DESI MORTGAGE, INC., License No. MB.6760346 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.*].