

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:)
)
) No. 2009-MBR-79
JANAN MORTGAGE CORPORATION)
 License No. MB.6759586)
 Attention: Terry Bloom)
 4001 N. Perryville Rd.)
 Loves Park, IL 61111)

ORDER ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking, (the “Department”), having conducted an examination of licensable activities performed by Janan Mortgage Corporation (the “Licensee”), and having found that the Licensee committed violations of the Residential Mortgage License Act of 1987 (the “Act”) [205 ILCS 635], and of 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)(5) of the Act. The Department makes the following:

FINDINGS

1. That Janan Mortgage Corporation is an Illinois residential mortgage licensee holding license No. MB.6759586 (the “License”) and located at 4001 N. Perryville Rd., Loves Park, Illinois, 61111;
2. That on or around September 18, 2008, the Department received a complaint that Licensee knowingly allowed several individuals in both its Rockford and Schaumburg offices to originate residential mortgage loans without possessing valid loan originator registrations;
3. That the Department initially investigated the complaint and filed a final Report of Investigation (the “ROI”) on October 2, 2008. The ROI, and preliminary reports of investigation, reported the following:
 - a. That the Licensee, through its owner Terry Bloom (“Bloom”), engaged in a practice of authorizing unregistered loan originators to solicit and/or take applications for residential mortgage loans and then affixing Bloom’s name as a registered loan originator to those loans originated by the unregistered loan originators;
 - b. That the Department obtained evidence as set forth in the ROI, including from borrowers interviewed for said investigation, that Bloom affixed his name and/or signatures to six loan applications as having originated those loans, but the respective borrowers of those loans stated they never heard of or worked with Bloom during their transaction;

- c. That the Department has further evidence as set forth in the ROI, including from interviews, average summary reports, and other sources, that the following unregistered loan originators solicited and/or took applications from borrowers for the following residential mortgage loans (identified by borrower's last name): Kirk Petersen (Wiezik loan), Charles Albertson (Falzone, Graham, Nannini, and Galloway loans), Tom Welch (Pinzon and Duncan loans), and Edward Lee (Beck loan);
 - d. That the Licensee's loan logs and loan application documents were improperly prepared using the name and registration number of Bloom or other employees as the loan originator, rather the required name(s) of the unregistered loan originators who actually solicited and/or took the loan applications from the borrowers;
3. That the ROI was referred to Legal Section and while the Legal Section was preparing a Potential Discipline Letter, the Department received a separate complaint and opened a second investigation concerning unregistered loan originator activity by Licensee, its employee Kirk Petersen and involving a reverse mortgage loan for borrowers Gloria (the "Gloria loan");
4. That on December 23, 2008, the Department mailed Licensee a Potential Discipline Letter based upon the investigative evidence collected and requesting written response from the Licensee;
5. That the Licensee, through legal counsel, submitted its written response dated January 2, 2009;
6. That the Department investigator closed the investigation involving the Gloria loan on or around February 4, 2009 and filed a final Supplemental Report of Investigation (the "Supplemental ROI"), with additional findings that Licensee and Kirk Petersen, an unregistered loan originator, originated the Gloria loan and that Bloom affixed his name and/or signature to the loan application as having originated the loan face-to-face, but that Bloom never performed the loan originator activities as attested on the loan documents, and as required by the Act and Rules; and
7. That the Department has considered the ROI, the Supplemental ROI, and the Licensee's written response submitted on January 2, 2009; however, the Department has determined the written response does not provide sufficient facts to remove the Department's findings herein of violations of the Act and Rules by the Licensee, and determination that Licensee's loan origination practices are not in compliance with the Act and Rules.

CONCLUSIONS

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

Notwithstanding notices and other efforts by the Department, Licensee is in violation of Sections 2-4(f), (k), (o), (r), (t), and (z) and 7-1 of the Act and Section 1050.1175 of the Rules, and is in further violation of Sections 4-5(i) (11) and (17) of the Act.

ORDER

NOW THEREFORE IT IS ORDERED:

1. That JANAN MORTGAGE CORPORATION, License No. MB.6759586, shall be and hereby is assessed a fine in the amount of \$35,000;
2. The fine in the amount of \$35,000 shall be due thirty (30) days after the effective date of this Order upon JANAN MORTGAGE CORPORATION; and
3. The fine in the amount of \$35,000 shall be paid by means of a certified check or money order made payable to the:

**Department of Financial and Professional Regulation
Division of Banking
ATTN: MORTGAGE BANKING LEGAL
122 S. Michigan Avenue, Suite 1900
Chicago, IL 60603**

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.*].