

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF)	
)	
)	No. 2010-MBR-03
AMERICAN NATIONWIDE BANCORP, INC.)	
License No. MB.6760555)	
Attention: Jaime Gallardo Rodriguez)	
175 W. Washington Street, First Floor Rear)	
West Chicago, IL 60185)	

ORDER ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having investigated and examined the activities of American Nationwide Bancorp., 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)(5) of the Act. The Department makes the following:

FINDINGS

1. That American Nationwide Bancorp, Inc. is an Illinois residential mortgage licensee holding license number MB.6760555 (the “License”) and located at 175 W. Washington Street, First Floor Rear, West Chicago, Illinois 60185 (the “West Chicago Office”);
2. That the Department received a complaint against First Suburban Mortgage Corp. (“First Suburban”) and individuals Rick Deleon (“Deleon;” later identified as Loan Originator Registration 031.0025707 transferred from First Suburban and registered with Licensee on 4/30/2009), Everett Snee (“Snee;” Loan Originator Registration applied for but not issued), and David Goltz (“D. Goltz;” Loan Originator Registration 031.0008414 expired on 6/30/2008 and new registration applied for but not issued), that Deleon, Snee, and D. Goltz were operating as unregistered loan originators originating loans at Licensee’s West Chicago Office and alleging other violations by Deleon in operating under Licensee’s license and in performing title and other related activities;
3. That said complaint led to the opening of an investigation against Licensee, and on April 23, 2009, the Department sent a three-member investigative team (the “Investigative Team”) to Licensee’s West Chicago;

4. That the Investigative Team conducted on-site interviews of Deleon and another former First Suburban loan originator Jaimie Rodriguez (“Rodriguez;” Loan Originator Registration 031.0018009; transferred from First Suburban and registered with Licensee on 4/27/2009) who indicated that First Suburban Mortgage Corp. closed its West Chicago location in March/April 2009, that the Licensee had occupied the subject office space since that time, and that approximately 17 loans had been originated since inception; the Investigators requested and received (except as otherwise noted) copies of documents, including Licensee’s loan log (Deleon and Rodriguez could not produce), Illinois Residential Mortgage Licensee certificate (expired 4/21/2009 and later renewed on 5/1/2009), and Licensee’s and First Suburban’s loan files (Deleon and Rodriguez only produced 11 loan files); it was noted that as of 4/23/2009 on-site visit, both Deleon and Rodriguez were registered as loan originators with their prior employer First Suburban;
5. That the Investigative Team conducted a review of the 11 loan files on-site; the loan applications in the loan files noted the interviewer’s name and signature as that of Alberto Juarez (“Juarez;” Loan Originator Registration 031.000329; transferred from First Suburban and registered with Licensee on 4/21/2009); the Investigative Team asked Deleon if in fact Juarez was the only loan originator who was taking loan applications and Deleon replied to the Investigative Team that Juarez was the “supervisory loan originator” explaining further that Juarez was the loan originator of record; the Investigative Team asked Deleon if he meant by his statement that other persons not sponsored and properly registered as loan originators originated the loans and that Juarez just signed off on these loans, at which time Deleon replied to the Investigative Team in the affirmative;
6. That the Investigative Team subsequently identified evidence of tampering or “white-out” of information on multiple loan applications within the 11 loan files collected from Licensee;
7. That the Investigative Team subsequently attempted to contact by telephone all borrowers whose signature and name appeared on the 11 loan applications in order to determine and confirm statements made by Deleon on 4/23/2009 that some loan applications originated may have been taken by individuals other than Juarez;
8. That of these borrowers reached, the Investigative Team identified four borrowers who indicated that loan originators other than Juarez completed their loan applications as follows: 1) E.H. indicated Eric Roeder (“Roeder;” Loan Originator Registration 031.0015864 transferred from First Suburban and registered with Licensee on 4/27/2009) as loan originator for E.H.’s loan, 2) G.G. indicated Rodriguez as loan originator for G.G.’s loan, 3) C.H. indicated Brian Goltz (“B. Goltz;” Loan Originator Registration 031.0017611 transferred from First Suburban and registered with Licensee on 4/27/2009) as loan originator for C.H.’s loan, and 4) K.B. indicated an unidentified loan originator other than Juarez;
9. That on May 15, 2009, an Investigative Team member spoke over the telephone with Juarez about the allegations that while certain loan applications were completed by individuals other than Juarez, his name and signature appeared on those applications, and Juarez explained that due to the heavy volume of customers coupled with his other responsibilities, Juarez did not always have the time to personally complete loan applications for his customers and consequently co-workers would complete the loan applications and upon completion, forward the completed loan application to Juarez for his signature;

10. That an Investigative Team member subsequently spoke with Juarez and received a response that appeared to conflict with aforementioned statements by Juarez on May 15, 2009 and of the four borrowers, and based upon the evidence collected, the Investigative Team on June 1, 2009 filed the Report of Investigation (the "ROI") with findings of violations by Licensee for unregistered loan originator activities and improper maintenance and production of loan logs; ROI was recommended for forwarding to Legal Section for enforcement with additional recommendation that an examination of Licensee be scheduled as soon as possible;
11. That on August 13, 2009, the Department's Legal Section mailed a Potential Discipline Letter to Licensee citing violations of the Act and Rules from the ROI, and that on August 27, 2009, Licensee's legal counsel provided a written response and including notarized affidavits from 6 clients whose loans closed (out of the 11 loan files reviewed) attesting that Juarez reviewed their loan with them and coordinated the processing and closing of their loan;
12. That the Department reviewed Licensee's written response and the affidavits, and determined that the Department had sufficient evidence of unregistered loan originator activities and other violations by the Licensee cited in the ROI; however, the it was also determined that further investigation, including clarification of the borrowers' affidavits, and examination of the Licensee would be conducted;
13. That between September 8, 2009 and September 24, 2009, an Investigative Team member contacted borrowers G.G., C.H., E. and C.H., D.H., B.R., and G. and S.D. and asked each borrower to identify and sign an affidavit as to the person who quoted their interest rate and the terms of their loan with Licensee; none of the borrowers identified Juarez as the person performing these loan originator activities and instead G.G. identified Snee, C.H. identified B. Goltz, E. and C.H. identified Roeder, D.H. identified D. Goltz, B.R. identified Snee, and G. and S.D. identified D. Goltz; a few of the borrowers mentioned a status call by Juarez later in the process and/or later attempts by Juarez to appear as their loan originator as well as later contacts to certain borrowers by D. Goltz and Snee as to the Department's investigation and telling these borrowers to relay to the investigator that they were only collecting information for the loan and not actually originating, or that Juarez originated their loan;
14. That while the investigative and enforcement case for Licensee was pending, the Department scheduled a regular examination of Licensee for the period 4/21/2008 through 9/30/2009; the exam was conducted on or around November 23, 2009 for purposes of evaluating the Licensee's general conduct of licensable activities, and to supplement but not overlap the ROI; the Department found through the regular examination additional violations by Licensee of the Act and Rules, as follows: Continuing Education Requirements for Loan Originators, Loan Application Procedures, Good Faith Estimate, Verification of borrower's ability to repay, Requirement to provide borrower with a copy of all appraisals, and Maintenance of Records; Department notes in ROE that certain information contained on the loan log is inaccurate and the loan originators on the loan log for borrowers Rengel, Rago, and Callanta do not match up with the loan originators indicated on the actual loan application found in the loan file;

15. That the Department's Examination Section forwarded the ROE, including cited violations, to the Licensee and to the Department's Legal Section and on January 6, 2010, the Licensee filed its written response to the ROE; and
16. That the Department has reviewed the investigatory and examinations findings and evidence in this matter and determined violations by Licensee of the Act and Rules as cited herein.

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 2-4(c),(k),(r),(t),&(z), 5-6, 5-11, and 7-1 of the Act, and Sections 1050.1140, 1050.1175, 1050.1350 (citing violation of 24 C.F.R. 3500.7), 1050.2120, 1050.2125 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 AMERICAN NATIONWIDE BANCORP, INC., License No. MB.6760555, shall be and hereby is assessed a fine in the amount of \$25,000 for the violations cited herein;
2. The fine in the amount of \$25,000 shall be due thirty (30) days after the effective date of this Order upon AMERICAN NATIONWIDE BANCORP, INC.; and
3. The fine in the amount of \$25,000 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
320 West Washington, 6th Floor
Springfield, IL 62786**

ORDERED THIS 26TH DAY OF JANUARY, 2010

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
BRENT E. ADAMS, 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.*].