

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF)
)
) No. 2010-MBR-30
HLMC MORTGAGE, INC.)
ATTN: Sawsan Haddad)
17600 Pulaski)
Country Club Hills, IL 60478)
License No. MB.6760252)

ORDER ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the "Department"), having reviewed and examined the activities of HLMC 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)(5) of the Act. The Department makes the following:

FINDINGS

1. That HLMC Mortgage, Inc. is an Illinois residential mortgage licensee holding license number MB.6760252 (the "License") and located at 17600 Pulaski, Country Club Hills, Illinois 60478;
2. That the Department examined Licensee for the period 7/1/2005 to 7/31/2008 (the "First Examination") and the period 8/1/2008 to 8/31/2009 (the "Second Examination") and assigned Licensee to Supervision for correction and compliance with violations of the Act and Rules cited in the respective Reports of Examination for the First Examination and Second Examination;
3. That thereafter the Department's Supervision Section commenced the supervisory process with Licensee resulting in partial completion; however, Licensee failed to fully satisfy supervisory requests for documentation of compliance with the Act and Rules and the Supervision Section created enforcement issues for Licensee's failure to comply and document compliance with the Act and Rules;
4. That the Department's Legal Section mailed Potential Discipline Letters to the Licensee for each enforcement issue via U.S. first class and certified mail and that Licensee responded to said letters and provided some additional documentation of compliance, including Licensee's submission of documentation on 4/8/2010; however, the Licensee has still not provided or sufficiently provided documentation of compliance for violations cited hereinafter:

- a. Licensee submitted payment of 2008-2009 renewal fee purportedly by copy of check numbered 17042 and dated 11/15/2008 in the amount of \$2,700; however, a review by the Department resulted in Licensee being required to submit negotiable check in payment of 2008-2009 renewal fee on 1/13/2010;
- b. Licensee has failed to submit payment within thirty (30) days and/or proof of such payment of examination fees billed by the Department on 11/19/2008 in the amount of \$1,224 and on 10/29/2009 in the amount of \$1,190;
- c. Licensee has failed to provide proof that Licensee submitted change of activities (to mortgage broker only status) to the Department's Licensing Section (violation of Rules Section 1050.475);
- d. Licensee has failed to provide requested quarterly and yearly financial information on an accrual basis and documenting net worth (liquidity) compliance at all times for the period 2007-2009, and has further failed to timely file Licensee's 2009 financials on or before 3/31/2010 (violation of Act Sections 3-2, 3-5, and Rules Section 1050.410);
- e. Licensee has failed to fully document continuing education compliance for all its loan originator employees for calendar years 2007 and 2008, and Licensee is cited specifically for not having certification of six hours of continuing education for calendar year 2008 for loan originators A. Benney, G. Dunn, E. Fieten, T.J. Madison, S. Waldron, and C. Woodcox (violation of Rules Section 1050.2120);
- f. Licensee has failed to provide documentation that a Changes Affecting Loans in Process Notice containing details of loan terms changes was provided for borrowers Hamed and Allen (violation of Rules Act 1050.1230);
- g. Licensee has failed to provide documentation of a completed Rate Lock Form for borrowers Smith, Hamed, and Haddad (violation of Rules Section 1050.1335); and
- h. Licensee has failed to provide the requested documentation of Loan Brokerage Agreements for borrowers Crume-Cage, Lee, Roberson, Haddad, and Odeh (violation of Rules Section 1050.1010).

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 3-2 and 3-5 of the Act and Sections 1050.410, 1050.475, 1050.1010, 1050.1230, 1050.1335, and 1050.2120 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 ORDERED:

1. That HLMC MORTGAGE, INC., License No. MB.6760252, shall be and hereby is assessed a fine in the amount of \$20,000 for the violations cited herein;
2. The fine in the amount of \$20,000 shall be due thirty (30) days after the effective date of this Order upon HLMC MORTGAGE, INC.; Licensee is further responsible for payment of any outstanding fees as may be due and owing the Department; and

3. The fine in the amount of \$10,000 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 3RD DAY OF MAY, 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, and hearing fee pursuant to 38 Ill. Adm. Code 1050.210(f), 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.*].