

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF)
)
) No. 2010-MBR-32
UNIVERSAL MORTGAGE SERVICES, LLC)
License No. MB.6759670)
Attention: Javier Mendoza)
1650 Ravine Lane)
Carpentersville, IL 60110)

ORDER SUSPENDING LICENSE AND ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having investigated the activities of Universal Mortgage Services, LLC (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 Sections 4-5(h)(2) & (5) of the Act. The Department makes the following:

FINDINGS

1. That Universal Mortgage Services, LLC is an Illinois residential mortgage licensee holding license number MB.6759670 and located at 1650 Ravine Lane, Carpentersville, Illinois 60110;
2. That on March 11, 2010, the Department received a complaint from a lender alleging that the Licensee had submitted two residential mortgage loans containing altered bank statements;
3. That the Department opened an investigation and based upon interviews with Universal’s officers and employees and borrowers, a review of Universal’s loan logs and files, and other evidence collected during this investigation and recorded in the Report of Investigation (the “ROI”) found that:
 - a. Licensee allowed 2 loans, for borrowers M.L. & D.L. and B.O. & S. O. to be submitted to the lender containing fraudulent/altered bank statements and verifying the facts of the lender’s complaint on March 11, 2010;
 - b. That Licensee had knowledge that one of its owners, Javier Mendoza, owned the properties sold to borrowers B.O. & S.O. and A.R. and that another of Licensee’s owners, Porfirio Mendoza, had an ownership interest in the properties through Porfirio Mendoza’s company (P.D.M. Investment Partners, LLC) for the properties sold to borrowers R.O. & P.C. and J.S. & L.S.H. & C.D.;

- c. That one of Licensee's owners, Javier Mendoza, instructed employee Patricia Vargas (Loan Originator Registration No. 031.0010693; "Vargas") to sign loan documents as having originated loans for borrowers B.O. & S.O., R.O. & P.C., A.R., and J.S. & L.S.H. & C.D. when in fact Vargas did not originate the loans. The investigation found that this was done in order to avoid the appearance of conflict of interest to lenders in connection with Licensee brokering these properties that were owned by Licensee's owners Javier Mendoza and Porfirio Mendoza, and for the purposes of concealing activities of Julian "Julio" Mendoza as hereinafter described;
 - d. That Licensee allowed Julian Mendoza, an unregistered loan originator, to take the loan applications and quote interest rates and explain loan products for borrowers B.O. & S.O. Julian Mendoza, who is a brother of Universal's owners Javier Mendoza and Porfirio Mendoza, is a licensed real estate broker, but not registered as a loan originator and could not lawfully perform the described loan originator services ; and
 - e. That Licensee failed to maintain accurate loan logs and loan files by falsely identifying by name and/or signature Vargas as the loan originator for the aforementioned loans in actuality originated by Javier Mendoza or Julian Mendoza.
4. That on April 5, 2010, the Investigations Section filed the ROI and created an enforcement issue for Licensee violating Sections 2-4(c), (f), (j),(k),(r),(t), & (z) of the Act and Sections 1050.1175 and 1050.2125 of the Rules;
 5. That on April 16, 2010, the Department's Legal Section mailed to Licensee a Potential Disciplinary Letter by U.S. first class and registered, return receipt mail advising Licensee of the facts and circumstances of the ROI and enforcement issue and providing ten (10) days from receipt to provide a written response to the Department;
 6. That on April 19, 2010, the Licensee signed for receipt of the registered Potential Disciplinary Letter and that the Department received said signature card on April 21, 2010, and that the Department has received no response from the Licensee.

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), (f), (j), (k), (r), (t), & (z) and 7-1 of the Act and Sections 1050.1175 and 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 HEREBY ORDERED that the license of UNIVERSAL MORTGAGE SERVICES, LLC, License No. MB.6759670 is suspended pursuant to Section 4-5(h) (2) of the Act and is assessed a fine of \$25,000 pursuant to Section 4-5(h) (5) of the Act for failure to comply with the provisions cited herein of the Act and Rules. Universal Mortgage Services, LLC shall fully cooperate in documenting full compliance with the Act and Rules to the Department as a condition to removal of the License suspension herein. The fine in the amount of \$25,000 shall be paid within thirty (30) days after the effective date of this Order by means of 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 6TH 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 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.*].