

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

IN THE MATTER OF:)
)
) No. 2011-MBR-CD7
LOAN MODIFICATION PROCESSING, INC.)
Attention: Riaz Shakir)
2812 W. Peterson)
Chicago, IL 60659)

ORDER TO CEASE AND DESIST & ASSESSING FINE

The Illinois Department of Financial and Professional Regulation, Division of Banking (“Department”) hereby issues to LOAN MODIFICATION PROCESSING, INC. (“LMP”) this ORDER TO CEASE AND DESIST & ASSESSING FINE (the “Order”). This Order is authorized by and issued pursuant to the provisions of Sections 1-3 (d-1) & (e) and 4-1 (h-1) of the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635].

FINDINGS OF FACT

The Director makes the following Findings of Fact:

1. That on March 2, 2011, the Department received an inquiry regarding LMP’s loan modification activities and alleged that LMP was charging fees for that activity;
2. That on March 4, 2011, the Department opened an investigation and an assigned investigator (“Investigator A”) conducted an on-site visit to LMP’s office at 2812 W. Peterson, Chicago, Illinois 60659 (“Office”). Investigator A, acting in the role of a consumer, asked to speak with someone about obtaining a loan modification and the costs for LMP’s services. Investigator A was informed by an Office staff person that Investigator A would need to come back and speak with Ms. Rodriguez. Investigator A asked the Office staff person if there was any fee associated with obtaining a loan modification through LMP and was informed that there was a \$500 up-front fee required to start the loan modification process;
3. That on March 9, 2011, another Department investigator (“Investigator B”) visited the Office in the role of a consumer and asked to speak with someone about obtaining a loan modification and the costs for LMP’s services. An Office staff person indicated that the person that Investigator B would need to speak to was currently meeting with a client, but proceeded to explain LMP’s various loan modification programs and to collect some information from Investigator B;
4. That in response to Investigator B’s question of costs, the Office staff person stated

that there was a \$500 up-front, non-refundable processing fee required to start the loan modification, another \$750 due when the loan modification paperwork was submitted to the lender and once the loan modification was approved then the balance of \$750 had to be paid. After fielding questions about Investigator B's delinquent mortgage payments and employment situation, Investigator B then announced his investigatory purpose/position and was referred to Riaz Shakir ("Shakir") who was in the Office;

5. That the investigator then interviewed Shakir about LMP's loan modification activities and learned from Shakir that he was an owner of Zrash Mortgage (MB.0004984) which was located at the Office until its license was surrendered in October 2008. Investigator B later verified from Department licensing records the information regarding Zrash Mortgage and that Shakir had an expired provisional loan originator registration (030.0027869);
6. That Shakir stated he had been conducting loan modifications for approximately 11 months and had taken about 40 loan modification applications during that time. Shakir acknowledged that he processed, communicated, and negotiated with the banks on behalf of his clients and confirmed the aforementioned fee information given to Investigator B;
7. That the Department's Investigation Section then filed its reports of investigation and referred the matter for enforcement for unlicensed activities by LMP and Shakir in violation of the Act and rules promulgated thereunder ("Rules") [38 Ill. Adm. Code 1050.310(a)]; and
8. That the Department's review of the investigatory file shows there is reasonable cause to believe that an unsafe, unsound, or unlawful practices has occurred, is occurring, or is about to occur with respect to LMP as cited herein.

CONCLUSIONS OF LAW

Based on the Findings of Fact, the Director makes the following Conclusions of Law:

Loan Modification Processing, Inc. has violated Sections 1-3(a), (d-1), & (e), 4-1(h-1) of the Act, and Section 1050.310(a) of the Rules by performing loan modification services without holding an Illinois residential mortgage license and Sections 2-4(z), 7-1, & 7-1A of the Act by employing an individual to provide loan modification services without proper licensing or registration as a mortgage loan originator.

NOW THEREFORE IT IS HEREBY ORDERED:

Loan Modification Processing, Inc., by and through its owners, officers, directors, employees, and agents, shall immediately cease and desist from conducting loan modification activities and sponsoring mortgage loan originator activities for Illinois residential real properties or conducting any other licensable activities under the Act, including holding itself out to the public, regulated entities, or others that is available to provide said activities, and shall be assessed and pay a fine to the Department due and payable upon issuance of this Order in the amount of \$25,000.

ORDERED THIS 8TH DAY OF APRIL, 2011

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION,
DIVISION OF BANKING;
BRENT E. ADAMS, SECRETARY

DIVISION OF BANKING

MANUEL FLORES, 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 \$500 hearing fee shall be filed within 10 days after the receipt of an administrative decision. The request for hearing must include an explicit admission, denial or appropriate response to each allegation or issue contained in the administrative decision pursuant to 38 Ill. Adm. Code 1050.1570. 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.*].