

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

**IN THE MATTER OF:** )  
 )  
**FIRSTSTAR FUNDING CORPORATION** ) No. 2013-MBR-18  
License No. MB.6759629 )  
Attention: Naseer J. Wasim & Nasir S. Muhammad )  
20303 S. Crawford, Suite LL3 )  
Olympia Fields, IL 60461 )  
 )

**ORDER REVOKING LICENSE AND ASSESSING FINE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having conducted an examination and investigation of FirstStar Funding Corporation (“FirstStar”), and having found violations of the Residential Mortgage License Act of 1987 (the “Act”) [205 ILCS 635], the rules promulgated thereunder (the “Rules”) [38 Ill. Adm. Code 1050], and the Residential Real Property Disclosure Act (“RRPDA”) [765 ILCS 77] hereby issues this Order pursuant to Sections 4-1 and 4-5 of the Act, and states:

**STATUTORY PROVISIONS**

1. Section 2-4 of Act requires applicants to make certain averments to the Department, of which failure to fulfill the obligations of an averment shall subject the license to penalty, including the requirement that licensees not knowingly hire or employ a loan originator who is not registered or licensed with the Department pursuant to Section 4-5 of the Act.
2. Section 4-1(h-1) grants the Department the authority to issue orders against any person, if the Secretary has reasonable cause to believe that an unsafe, unsound, or unlawful practice has occurred, is occurring, or is about to occur, if any person has violated, is violating, or is about to violate any law, rule, or written agreement with the Secretary , or for the purpose of administering the provisions of this Act and any rule adopted in accordance with the Act.
3. Section 4-5 of the Act states, in part, the following acts shall constitute grounds for disciplinary action: violating any provision of this Act, any rule or regulation promulgated by the Secretary or any other law, rule or regulation of the State of Illinois or the United States, fraud, misrepresentation, deceit, or negligence in any mortgage financing transaction; failure to maintain, preserve and keep available for examination,

all books, accounts, or other documents required by the provisions of the Act and rules of the Secretary.

4. Section 4-7 of the Act states that no licensee subject to investigation or examination may knowingly withhold, abstract, remove, mutilate, destroy, or secrete any books, records, computer records, or other information.
5. Section 70(c) of the RRPDA requires a mortgage broker or loan originator to submit to the predatory lending database all of the information required for any mortgage on property within the program area; information must be submitted within 10 days after taking a mortgage loan application.
6. Section 1050.1175 of the Rules provides, in part, that each licensee shall maintain a loan log which shall be kept current, produced for examination by the Secretary, and contain the required fields of information for all loans, including name of loan originator for each loan application.
7. Section 4-5(h)(5) of the Act provides for the imposition of a fine not to exceed \$25,000 for each count of separate offense.

#### **FACTUAL FINDINGS**

8. Upon information and belief, FirstStar is located at 20303 S. Crawford, Suite LL3, Olympia Fields, IL 60461, and holds inactive Illinois residential mortgage license number MB.6759629. As a mortgage broker, FirstStar solicited borrowers for the purpose of taking loan applications and processing the loans for funding through a third party lender.
9. On November 15, 2010, the Department opened an investigation into alleged misconduct in connection with a residential mortgage loan for residential property in Matteson, Illinois. The Department also concurrently conducted an exam for the period of February 1, 2009 through October 31, 2010.
10. During the Department's investigation FirstStar refused to identify and affirm the authenticity of signatures on nineteen loan files.
11. During the period beginning August 2007 and ending December 2010, FirstStar performed the following:
  - a. Hired or employed unregistered and unqualified persons to originate loans.
  - b. Allowed commissions derived from the origination of residential mortgage loans to be split with unregistered or unqualified loan originators.

- c. Directed registered loan originators to act as a signatory to 44 residential mortgage loans originated by unregistered loan originators.
- d. Originated 23 residential mortgage loans through the use of a loan originator with an expired license.
- e. Directed or otherwise caused 67 residential mortgage loans to be originated by persons not registered or authorized to originate residential mortgage loans in the State of Illinois.
- f. Failed to maintain and produce upon the Department's request an accurate company loan log and failed to make available to the Department timely information on its loan activities by entering 25 loans in the Anti-Predatory Lending Database more than 10 days after taking loan applications.

### LEGAL CONCLUSIONS

BASED UPON THE ABOVE FACTUAL FINDINGS, THE DEPARTMENT CONCLUDES:

1. By refusing to affirm or otherwise identify the legitimacy of signatures on loan files FirstStar impeded and obstructed the Department's investigation in violation of Sections 4-5 and 4-7 of the Act.
2. By knowingly hiring or employing unregistered persons to originate loans with borrowers FirstStar violated Section 2-4(z) of the Act.
3. By directing and otherwise allowing registered loan originators to act as a signatory to loan files they did not originate, and because of the conduct alleged in paragraph 10 (adopted herein by reference), FirstStar engaged in deceptive and fraudulent loan brokering practices with a reckless disregard for the laws governing loan origination in the State of Illinois in violation of Section 4-5 of the Act.
4. By failing to maintain, enter, and/or produce required loan records FirstStar further impeded the Department's examination and review in violation of Section 4-5 and 4-7 of the Act and in violation of Section 70(c) of the RRPDA, and Section 1050.1175 of the Rules.

**NOW IT IS HEREBY ORDERED THAT,**

1. The Department **REVOKES** FirstStar Funding Corporation, License No. MB.6759629 pursuant to Sections 4-1(h-1), 4-5(a)(1), and 4-5(h)(1) of RMLA.

2. The Department assesses a **FINE** against FirstStar Funding Corporation in the amount of \$100,000 (4 violations at \$25,000 per violation) pursuant to Sections 4-1(h-1) and 4-5(h)(5) of the Act for multiple violations and separate counts of offense cited herein. The fine is payable by certified check or money order within thirty (30) days of the effective date of this Order to the:

**Department of Financial and Professional Regulation  
Division of Banking  
Attention: FISCAL DIVISION  
320 W. Washington, 5<sup>th</sup> Floor  
Springfield, Illinois, 62786**

ORDERED THIS 30<sup>th</sup> DAY OF APRIL, 2013

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
MANUEL FLORES, ACTING SECRETARY

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**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 by certified check or money order shall be filed with the Department at 320 West Washington Street, 5<sup>th</sup> Floor, Springfield, IL 62786 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.*].**