

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:)
)
) No. 2013-MBR-83
OPEN MORTGAGE LLC)
License No. MB. 6759829)
Attention: Scott Gordon)
14101 W Hwy 290 - #1300)
Austin, TX 78737)

ORDER ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the "Department"), having examined the activities of **OPEN MORTGAGE LLC** ("Open Mortgage") and having 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 for violations of the Act and Rules.

STATUTORY PROVISIONS

1. Section 2-9 of the Act, in part, requires a licensee originating loans on the Internet to post on their Internet web site their license number and the Department's address and telephone number.
2. Section 4-5(h) of the Act, in part, provides in subsection (5) that when the Director finds any person in violation of the grounds set forth in subsection (i), the Director may enter an order imposing the penalty of a fine not to exceed \$25,000 for each separate offense.
3. Section 4-5(i) of the Act sets forth acts by a licensee that shall constitute grounds for disciplinary action specified in Section 4-5(h) of the Act. Subsection (i) (11) is for failure to comply with any order of the Secretary or rule made or issued under provisions of the Act. Subsection (i)(17) is for failure to comply with or violation of any provision of the Act.
4. Section 1050.1305 of the Rules provides that immediately upon approval of a residential mortgage loan application, the licensee shall deliver to the applicant or borrower, either personally or via first class United States mail or private delivery service, a written loan approval notice stating the terms and condition of the residential mortgage loan agreed to by the licensee and borrower. The approval notice shall state the exact expiration date of the loan commitment, all economic terms of the loan and their duration, and whether the economic terms are fixed or subject to change and the circumstances for any change.

FACTUAL FINDINGS

5. Open Mortgage, with its corporate office located at 14101 W Hwy 290 - #1300, Austin, Texas 78737, is a residential mortgage licensee holding Illinois residential mortgage license number MB. 6759829.
6. The Department conducted regular examinations of Open Mortgage on or around January 24, 2011 (“2010 Exam” for the period 2/1/2009 to 10/31/2010) and March 2, 2013 (“2012 Exam” for the period 11/01/2010 to 11/30/2012).
7. The Department cited Open Mortgage for violating Act Section 2-9 (Posting of License) and Rules Section 1050.1305 (Loan Approval Notice) in both its 2010 Exam and 2012 Exam. The specific violations are as follows: 1) violated Act Section 2-9 by failing to post the Department’s name and address on its Internet website, and 2) violated Rules Section 1050.1305 by failing to have proof of notice having been provided to borrowers in 12 out of 13 reviewed loan files for the 2010 Exam, and repeated in 17 out of 31 reviewed loan files reviewed for the 2012 Exam.

LEGAL CONCLUSIONS

10. Open Mortgage has violated Sections 2-9 and 4-5(i)(11) & (17) of the Act, and Section 1050.1305 of the Rules.

NOW IT IS HEREBY ORDERED THAT,

1. The Department assesses a FINE against OPEN MORTGAGE LLC, License number MB.6759829 in the amount of \$1,000 (for two repeat exam violations at \$500 each) pursuant to Section 4-5(h)(5) of the Act. 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, 5th Floor
Springfield, Illinois 62786.**

ORDERED THIS 24TH DAY OF DECEMBER, 2013

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

DIVISION OF BANKING

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, 5th 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].