

**STATE OF ILLINOIS**

**DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION**

**DIVISION OF BANKING**

IN THE MATTER OF: )  
 ) No. 2013-MBR-CD12  
**FIRST MORTGAGE WEST** )  
633 West 5<sup>th</sup> Street, 28<sup>th</sup> Floor )  
Los Angeles, CA 90071 )

**ORDER TO CEASE AND DESIST FROM UNLAWFUL  
RESIDENTIAL MORTGAGE ACTIVITIES AND ASSESSING FINE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF BANKING (“Department”), having investigated the activities of FIRST MORTGAGE WEST (“FMW”), with its last known address of 633 West 5<sup>th</sup> Street, 28<sup>th</sup> Floor, Los Angeles, CA 90071, and found violations of the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635], the Secretary hereby issues this ORDER TO CEASE AND DESIST FROM UNLAWFUL RESIDENTIAL MORTGAGE ACTIVITY AND ASSESSING FINE, and states:

**STATUTORY PROVISIONS**

1. Section 1-3(a) of the Act provides that no person, partnership, association, corporation, or other entity shall engage in the business of brokering, funding, originating, servicing or purchasing of residential mortgage loans without first obtaining a license from the Secretary of the Department (“Secretary”).
2. Section 1-3(b) of the Act provides that no person, partnership, association, corporation, or other entity except a licensee under the Act or an entity exempt from licensure shall do any business under any name title, or circulate or use any advertising or make any representation nor give any information to any person, which indicates or reasonably implies activity within the scope of the Act.
3. Section 1-3(d-1) of the Act provides the Secretary 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 purposes of administering the provisions of this Act and any rule adopted in accordance with this Act.
4. Section 1-3(e) of the Act provides that any person, partnership, association, corporation or other entity who violates any provision of this Section commits a business offense and shall be fined an amount not to exceed \$25,000.
5. Section 1-4(p) of the Act defines “Loan Broker” or “Broker” as a person, partnership, association, corporation or limited liability company, not lawfully exempt from the Act, who performs the activities described in subsections (c), (o), and (yy) of the Act.

6. Section 2-4(aa) of the Act lists the Averments licensees must aver to including that they will not charge or collect upfront payments from borrowers for engaging in loan modifications.

### **FACTUAL FINDINGS**

7. On September 14, 2011, Department received information that FMW was offering residential mortgage services and charging upfront fees.
8. The Department's investigation found that FMW is not licensed by the Department to act as a residential mortgage licensee.
9. The Department's investigation found that FMW engaged in licensable activity including sending a loan package for an Illinois residential property to a consumer with a loan application, Good Faith Estimate, Truth-in-Lending Disclosure Statement, and amortization schedule.
10. The Department's investigation found that FMW offered licensable services.

### **LEGAL CONCLUSIONS**

11. FMW, without a license, solicited, and offered licensable services. FMW is in violation of Sections 1-3(a) & (b) of the Act.

### **NOW IT IS HEREBY ORDERED THAT,**

1. FIRST MORTGAGE WEST, an unlicensed entity and by and through its principals and agents, shall **CEASE AND DESIST** from soliciting or offering and engaging in any licensable activities under the Act pursuant to Section 1-3(d-1) of the Act.
2. FIRST MORTGAGE WEST shall pay a **FINE** in the amount of \$25,000 as authorized under Section 1-3(e) 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  
ATTN: Loan Originator Section  
320 W. Washington, 6<sup>th</sup> Floor  
Springfield, Illinois, 62786.**

ORDERED THIS 27<sup>TH</sup> DAY OF DECEMBER, 2013

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

DIVISION OF BANKING

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**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, Springfield, IL 62786, ATTN: Loan Originator Section 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.*].**