

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:

MRC CONSULTANT CORPORATION

2919 W. 59th Street

Chicago, IL 60629

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No. 2014-MBR-CD-02

**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 conducted an investigation of MRC Consultant Corporation (“MRC”), 2919 W. 59th Street, Chicago, IL 60629 and found violations of the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635] and the Mortgage Rescue Fraud Act (“MRFA”) [765 ILCS 940], 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 (jj) of the Act defines the “mortgage loan originator” as an individual who for compensation or gain or in the expectation of compensation or gain (i) takes a residential mortgage loan application, or (ii) offers or negotiates terms of a residential mortgage loan. Included in the definition are individuals who participate in residential mortgage loan modification activities.
6. Section 1-4(yy) of the Act defines “loan modification” to mean for compensation or gain, either directly or indirectly offering or negotiating on behalf of a borrower or homeowner to adjust the terms of a residential mortgage loan in a manner not provided for in the original or previously modified loan.
7. Section 2-4(aa) of the Act lists the Avertments that licensees will not charge or collect upfront payments from borrowers for engaging in loan modifications.
8. Section 4-5(h) of the Act provides the Secretary the authority to enter an order imposing certain penalties, including imposition of a fine not to exceed \$25,000 for each count of separate offenses, provided that a fine may be imposed not to exceed \$75,000 for each separate count of offense of paragraph (2) of subsection (i), against any person in violation of the grounds set forth in subsection (i).
9. Section 4-5 of the Act in subsections (a) and (i) provide the following acts shall constitute grounds for disciplinary action: (a)(1) 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, (i)(2) engaging in fraud, misrepresentation, deceit, or negligence in any mortgage financing transaction.
10. Section 7-1A of the Act states, in part, it is unlawful for any individual to act or assume to act as a mortgage loan originator, as defined in subsection (jj) of Section 1-4 of the Act, without obtaining a license from the Department.
11. The MRFA requires any person who, directly or indirectly, for compensation from the owner, makes any solicitation, representation, or offer to perform loan modification activities to provide owners statutorily defined contract terms and notice rights and refrain from taking an interest in the owner’s home or securing advance payments prior to performing the contracted for service. Licensees of the Act are exempt from the MRFA if the transaction resulting in the origination of a new mortgage loan extinguishes the existing loan.

FACTUAL FINDINGS

12. MRC is not an Illinois licensed mortgage company and has never applied for such license and is not authorized to conduct residential mortgage activities in Illinois.
13. MRC registered with the Illinois Secretary of State's Office as a business entity operating in the State of Illinois with the address of 2919 W. 59th Street, Chicago, Illinois 60629 and having Roxana Aranibar ("Aranibar") as its registered agent.
14. On October 8, 2013, the Department discovered that MRC and Aranibar were engaged in a mortgage-related scheme to harm homebuyers.
15. The scheme was orchestrated by MRC through its agent Aranibar and it targeted distressed property owners seeking mortgage loan modifications, as follows:
 - a. MRC through its agent Aranibar sold loan modification services without the necessary Illinois license.
 - b. MRC through its agent Aranibar charged upfront fees to perform loan modification services.
16. Homebuyers 1, 2, and 3 informed the Department they were referred to MRC through its agent Aranibar for loan modifications services. Homebuyers 1, 2, and 3 purchased loan modification services from MRC through its agent Aranibar to secure lower mortgage payments and maintain their homes.
17. MRC through its agent Aranibar falsely represented itself to homebuyers as being authorized to perform loan modifications.
18. MRC through its agent Aranibar charged upfront fees for loan modification services. Homebuyer 1 paid \$1,000, Homebuyer 2 paid \$3,000, and Homebuyer 3 paid \$1,000 to MRC through its agent Aranibar for promised loan modification services.
19. MRC, through its agent Aranibar, instructed Homebuyer 3 to stop making loan mortgage payments to the lender to qualify for a loan modification. Homebuyer 3, relying on MRC's instructions, stopped making payments on her mortgage loan. Homebuyer 3 had her home foreclosed on for failure to remain current on her mortgage payments.
20. MRC, through its agent Aranibar, failed to secure loan modifications for Homebuyers 1, 2, and 3. Homebuyers 1 and 2 requested a refund of their fees from MRC through its agent Aranibar. MRC through its agent Aranibar, refused to refund their fees. Instead of refunding the fee to Homebuyer 2, MRC through its agent Aranibar offered to help Homebuyer 2 purchase a new residential property.

LEGAL CONCLUSIONS

COUNT I UNLICENSED ACTIVITY

21. MRC, without a license, offered or provided loan origination services including loan modification services to homebuyers. MRC is in violation of Section 1-3 of the Act.

COUNT II UPFRONT FEES

22. MRC charged and accepted upfront payments for loan modification services. MRC is in violation of Sections 2-4(aa) and 4-5(a)(1) of the Act citing violations of MRFA.

NOW IT IS HEREBY ORDERED THAT,

1. MRC CONSULTANT CORPORATION, an unlicensed entity and by and through its principals and agents, shall **CEASE AND DESIST** from offering loan modification and origination services to homebuyers, and engaging in any other licensable or prohibited activities pursuant to Section 1-3(d-1) of the Act.
2. MRC CONSULTANT CORPORATION shall pay a **FINE** pursuant to Sections 1-3(e) and 4-5 of the Act in the **total amount of \$75,000**, as calculated:

COUNT I: \$25,000

COUNT II:\$50,000

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: FISCAL DIVISION
320 W. Washington, 5th Floor
Springfield, Illinois, 62786**

ORDERED THIS 8TH DAY OF MAY, 2014

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].