

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:)
)
RESIDENTIAL FINANCE CORPORATION) No. 2015-MBR-04
)
License No. MB.0005562)
One Easton Oval, Suites 200 & 400)
Columbus, OH 43219)

ORDER REVOKING LICENSE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF BANKING (“Department”), having reviewed the activities of **RESIDENTIAL FINANCE CORPORATION (“RFC”)**, One Easton Oval, Suites 200 & 400, Columbus, Ohio 43219, and making findings under the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635], hereby issues this **ORDER REVOKING LICENSE**.

STATUTORY PROVISIONS

1. Section 2-4 of the Act requires applicants/licensees to make certain averments to the Department, of which failure to fulfill the obligations of an averment shall subject the licensee to penalty, including the requirements to (c) maintain records for 36 months; (d) file with the Department any required reports; (s) advise the Department of any changes to the information submitted on its most recent license application within 30 days of said change; (t) comply with the Act and Rules.
2. Section 2-6 of the Act provides that an Illinois Residential Mortgage License shall be renewed on the common renewal date of the Nationwide Mortgage Licensing System (“NMLS”) upon a licensee submitting a properly completed renewal application form. It is the responsibility of each licensee to timely accomplish renewal of its license. A licensee ceasing activities regulated by the Act and desiring to no longer be licensed must inform the Department in writing, convey the license, provide a plan for withdrawal from the regulated business, and comply with the Department’s surrender guidelines.
3. Section 4-5 of the Act provides that when the Department finds any person in violation of the grounds set forth in subsection (i), the Department may enter an order revoking a license as authorized by subsection (h)(1). A licensee violates Section 4-5(i) of the Act due to (17) failure to comply with or violation of any provision of the Act.

FACTUAL FINDINGS

4. RFC held active Illinois Residential Mortgage License No. MB.0005562 (“License”) through December 31, 2013. The Department received the License renewal fee from RFC on December 23, 2013; however, Department records show that the License was not renewed for Calendar Year 2014.

5. On March 24, 2014, the Department received a letter from RFC asking the Department to accept the letter as formal notice that RFC wanted to immediately surrender the License. The letter further stated that RFC was in the process of winding down its business and that this process was expected to take approximately 30 days.
6. On April 3, 2014, the Department initially notified RFC in an email through the NMLS of the License surrender requirements and deficiencies in what RFC had filed with the Department.
7. On May 8, 2014 and August 14, 2014, the Department's Licensing Section followed-up with letters to RFC advising RFC of the required items to accomplish surrender of its License. RFC was notified, as part of completing its surrender application, that it would be required to provide its Illinois Loan Log since January 7, 2013 ("Loan Log"). RFC was directed to submit all License surrender items including the Loan Log by May 30, 2014 and August 29, 2014, respectively. The Department advised RFC that failure to complete its License surrender would result in referral to begin the revocation process.
8. During the May through August 2014 period, the Department became aware that RFC, in going through the receivership process, did not have access to its Illinois loan records to be able to produce the required Loan Log.
9. In late August 2014, the issue was referred for enforcement and the Department's Legal Section began communicating with RFC and through its receiver. The Department was initially advised of efforts on behalf of RFC to obtain the records necessary to produce the Loan Log; however, status reports on such efforts to the Department became irregular and the Loan Log was never produced.
10. On March 18, 2015, the Department mailed a Potential Disciplinary Letter ("PDL") via U.S. Postal Service certified mail to its address of record. The Department also provided a copy of the PDL to the receiver for whom RFC had advised the Department to direct its correspondence. RFC was requested to provide a written response to the Department on or before March 28, 2015. On May 29, 2015, said PDL was returned by the U.S. Postal Service as undeliverable and the Department is not in receipt of any response.

LEGAL CONCLUSION

11. The Department finds that RFC failed to complete its application for surrender of its License, and that the License is not renewed or surrendered as required by the Act.
12. RFC is in violation of Sections 2-4, 2-6, and 4-5(i)(17) of the Act.

NOW IT IS HEREBY ORDERED THAT,

The Department **REVOKES** RESIDENTIAL FINANCE CORPORATION's Illinois Residential Mortgage License No. MB.0005562 pursuant to Section 4-5(h)(1) of the Act.

ORDERED THIS ____ DAY OF _____, 2015

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF BANKING

MICHAEL J. MANNION
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 affected party may file a request for a hearing on a decision by the Director. The request for a hearing must be filed with the Department at 320 West Washington Street, 5th Floor, Springfield, IL 62786 within 10 days after the appealing party's receipt of this Order; a \$500 hearing fee payable to the Department by cashier's check or money order must be filed with the hearing request. The request for hearing must include an explicit admission, denial, or appropriate response to each allegation or issue contained in this Order pursuant to 38 Ill. Adm. Code 1050.1570. After receipt of a proper and timely request for hearing, 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].