

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:)
)
) **No. 2016-MBR-01**
MIDWEST MORTGAGE ASSOCIATES CORPORATION)
License No. MB. 6761098)
Attention: Greg Deline)
5350 Tomah Drive)
Suite 2300)
Colorado Springs, CO 80918)

ORDER REVOKING LICENSE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF BANKING (“Department”), having conducted a review of the application and background of **MIDWEST MORTGAGE ASSOCIATES CORPORATION (“MIDWEST MORTGAGE”)**, 5350 Tomah Drive, Suite 2300, Colorado Springs, CO 80918, and making findings under the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635], and the rules promulgated thereunder (“Rules”) [38 Ill. Adm. Code 1050], hereby issues this **ORDER REVOKING LICENSE**.

STATUTORY PROVISIONS

1. Section 2-2(a)(6) of the Act provides that an investigation of the averments required by Section 2-4, which investigation must allow the Director to issue positive findings stating that the financial responsibility, experience, character, and general fitness of the license applicant thereof and of the officers and directors thereof if the license applicant is a corporation, are such as to command the confidence of the community and to warrant belief that the business will be operated honestly, fairly and efficiently within the purpose of this Act. If the Director shall not so find, he or she shall not issue such license, and he or she shall notify the license applicant of the denial.
2. Section 2-3A(c)(2)(B) of the Act provides that in connection with an application for licensing, personal history and experience in a form proscribed by the Nationwide Mortgage Licensing System (“NMLS”), including the submission of authorization for the Nationwide Mortgage Licensing System and Registry and the Director to obtain information related to any administrative, civil, or criminal finding by any governmental jurisdiction.
3. Section 2-4(o) of the Act requires applicants for a license to make averments, including that the applicant has not engaged in any conduct which would be cause for denial of a license.

4. 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 (3) a material or intentional misstatement of facts on an initial or renewal application and (17) failure to comply with or violation of any provision of the Act.

FACTUAL FINDINGS

1. MIDWEST MORTGAGE was issued Illinois residential mortgage license number MB.6761098 on May 5, 2015. Gregory Deline (“Deline”) is currently one hundred percent owner of MIDWEST MORTGAGE.
2. Deline was previously owner and president of Mid Nation Mortgage Corporation (“Mid Nation Mortgage”) which held Illinois residential mortgage license number MB.6760767.
3. Mid Nation Mortgage was fined through Order No. 2012-MBR-30 (“Order 1”) issued on December 20, 2012 in the amount of \$3,950 for a late audit fee. This fine was never paid.
4. On December 13, 2013 Mid Nation Mortgage was revoked and assessed an additional fine for cited violations of the Act and Rules through Order 2013-MBR-75 (“Order 2”). When Mid Nation failed again to pay the fines, the fines were paid by Mid Nation Mortgage’s Surety Bond.
5. Deline was owner and president at all times Order 1 and Order 2 were issued.
6. MIDWEST MORTGAGE, through the application process was required to submit a Company MU1 Form (“MU1”) through the NMLS. Additionally, Deline, as Direct Owner, needed to submit an Individual MU2 Form (“MU2”), a sub-form of the MU1, since an MU2 is generated for Direct Owners or Executive Officers amongst other controlling officers added on the MU1.
7. Deline submitted his first MU2 for MIDWEST MORTGAGE on March 11, 2013.
8. The MU2 requires disclosure questions to be responded to by the applicant.
9. MU2 Disclosure Question under Regulatory Action (M) asks “(b)ased upon activities that occurred while you exercised control over an organization, has any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization (SRO) ever taken any of the actions listed in (K) through (L) above against any organization?”
10. MU2 Disclosure Question under Regulatory Action (K) asks “(h)as any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization (SRO) ever: (5) revoked your registration or license? ... (9) entered an order concerning you in connection with any license or registration?”
11. On March 11, 2013, Deline did not disclose on his MU2 Order 1 by not responding affirmatively to (M) based on (K)(9).

12. Additionally, Deline amended his MU2 numerous times since Order 2 was issued and never amended his response to M to be affirmative based on (K)(5).
13. Each time he amended the MU2 Deline was required to swear that his answers “are current, true, accurate and complete and are made under the penalty of perjury...”
14. MIDWEST MORTGAGE amended its MU1 numerous times since Order 1 and Order 2 were issued which were all accompanied by an attestation sworn by a representative of the company that the MIDWEST MORTGAGE answers “are current, true, accurate and complete and are made under the penalty of perjury...”

LEGAL CONCLUSION

15. The Department finds that MIDWEST MORTGAGE failed to disclose Order 1 and Order 2 through Deline’s disclosure responses on his MU2 which was ultimately attested to by MIDWEST MORTGAGE through its MU1.
16. MIDWEST MORTGAGE’s failure to disclose was material to the Department’s review and decision to issue the License and would have been cause for denial of the license application.
17. MIDWEST MORTGAGE in submitting its license application with the aforementioned misstatement of facts on an application, failed to meet the standard of Section 2-2(a)(6) of the Act.
18. MIDWEST MORTGAGE violated Act Sections 2-2(a)(6), 2-3A(c)(2)(B), and 2-4(o), and is in further violation of Act Sections 4-5(i)(3) & (17).

NOW IT IS HEREBY ORDERED THAT,

The Department **REVOKES** MIDWEST MORTGAGE’s Illinois Residential Mortgage License No. MB. 6761098 pursuant to Section 4-5(h) (1) of the Act.

ORDERED THIS ____ DAY OF _____, 2016

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF BANKING

KERRI DOLL
ACTING 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].