

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

<b>IN THE MATTER OF:</b>	)	
	)	No.2024-MBR-06
<b>AMERIFIRST FINANCIAL CORPORATION</b>	)	
License No. MB. 6760814; NMLS 110139	)	
Attention: Sheila Strong	)	
950 Trade Centre Way, Suite 400	)	
Kalamazoo, MI 49002	)	

**ORDER REVOKING LICENSE & ASSESSING FINE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF BANKING (“Department”), having reviewed the activities of **AMERIFIRST FINANCIAL CORPORATION (“AMERIFIRST”)**, 950 Trade Centre Way, Suite 400, Kalamazoo, MI 49002 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 & ASSESSING FINE.**

**STATUTORY PROVISIONS**

1. Section 2-4 makes it a prohibited act to (d) fail to file when due any report or reports which are required to be filed under any of the provisions of the Act; (t) fail to comply with the provisions of the Act; and subsection (u) requires that a licensee submit to periodic examination by the Secretary as required by the Act.
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 Multistate Licensing System (“NMLS”) upon a licensee submitting a properly completed renewal application form and paying the appropriate fee. It is the responsibility of each licensee to timely accomplish renewal of its license. A licensee ceasing an activity or activities regulated by this Act and desiring to no longer be licensed must inform the Department in writing and, at the same time convey the license and all other symbols or indicia of licensure. The licensee shall include a plan for withdrawal from the regulated business, including a timetable for the disposition of the business, and comply with the Department’s surrender guidelines.

3. Section 3-2 of the Act requires a licensee to file its most recent audit report, or, for a mortgage broker, unaudited financial statements, with the Director of the Department (“Director”) or NMLS within 90 days after the end of the licensee’s fiscal year.
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 (11) failure to comply with any order of the Director or rule made or issued under the provisions of this Act, (13) failure to pay in a timely manner any fee, charge or fine under this Act, subsection (14) failure to maintain, preserve, and keep available for examination, all books, accounts or other documents required by the provisions of this Act and the rules of the Commissioner; (15) refusing, obstructing, evading, or unreasonably delaying an investigation, information request, or examination authorized under this Act, and subsection (17) failure to comply with or violation of any provision of the Act.
5. Section 4-8.3 of the Act requires that on or before March 1 of each year or the date selected for Mortgage Call Reports under Section 4-9.1 of the Act, each licensee shall file a report with the Secretary that discloses such information as the Secretary requires. A licensee filing a Mortgage Call report is not required to file an annual report.
6. Section 1050.430 of the Rules provides that the failure to deliver audit reports within 90 days after the date specified in Section 3-2 of the Act, unless extended for cause by the Department, shall subject the licensee to payment of a fee at the rate of \$50 per calendar day for each day that such failure is continuing for up to three months.
7. Section 1050.1176(a) of the Rules requires a licensee to retain all records prepared or received in the course of business for 36 months; failure to maintain such records is a violation of the Act.

### **FACTUAL FINDINGS**

8. AMERIFIRST is an Illinois residential mortgage licensee holding license No. MB. 6760814 (“License”).
9. On February 28, 2023, AMERIFIRST was notified by a Pre-Examination Alert Requirements Letter (“PEARL”) from the Department that an examination of the licensee was to be made for the period February 1, 2020, through January 31, 2023.
10. Despite receiving the PEARL and additional requests from the Examiners, AMERIFIRST failed to submit any books or records for examination in conformance with the Act or Rules, as required. Thus, no examination has been completed.

11. In February 2023, AMERIFIRST communicated to the examiner an intent to surrender its license and on March 15, 2023, AMERIFIRST appeared on the list of surrender requests submitted to the Department. NMLS and the Department's internal system were both updated at that time to reflect this expressed intention to surrender the license.
12. AMERIFIRST did not surrender the license in March 2023 or anytime thereafter. AMERIFIRST did not complete the surrender process, including taking care of license items such as the assessed exam fee and merely submitting its loan log and no other information to the examiners. AMERIFIRST abandoned the surrender process, did not cancel the scheduled examination, and also ceased all communication with the Department.
13. AMERIFIRST did not file the proper annual audited financials or mortgage call report in 2023. Amerifirst was assessed a late audit fee of \$1,400, which remains unpaid.
14. A Report of Examination was prepared and sent to AMERIFIRST on June 28, 2023. The report included a Rating of 5, the lowest rating.
15. From November 1, 2022, through December 31, 2022, the NMLS window was open for licensees to apply to renew their licenses for calendar 2023. AMERIFIRST did not apply to renew its license during the aforementioned time.

### **LEGAL CONCLUSIONS**

15. The Department finds that AMERIFIRST failed to apply for renewal or properly surrender its license as required by the Act
16. The Department finds AMERIFIRST in violation of Sections 2-4(d), (t), and (u), 2-6, 3-2, 4-5(h), 4-5(i)(11), (13), (14), (15) and (17), and 4-8.3 of the Act and Section 1050.430 and 1050.1176 of the Rules.

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

1. The Department **REVOKES** AMERIFIRST'S Illinois Residential Mortgage License No. MB.6760814 pursuant to Section 4-5(h)(1) of the Act.
2. The Department assesses a FINE against AMERIFIRST in the amount of \$1,400 pursuant to Section 4-5(h)(5) for the aforementioned violations of the Act. The Fine shall be submitted to the Department within 14 days of the Effective Date through the Nationwide Multistate Licensing System.

ORDERED THIS \_\_\_\_29\_\_\_\_ DAY OF JULY 2024

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
DIVISION OF BANKING

  


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SUSANA SORIANO  
ACTING DIRECTOR

**You are hereby notified that this Order is an administrative decision. Pursuant to Section 4-12 of the Illinois Residential Mortgage License Act [205 ILCS 635/4-12] and the rules promulgated thereunder on Hearings Before the Division of Banking and Division of Financial Institutions [38 Ill. Adm. Code 100.5 *et seq.*], an affected party may file a petition for a hearing on an administrative decision by the Director. The petition for a hearing must be filed within 10 days after service of this Order by mail to the Department at 555 W. Monroe St., Suite 500, Chicago, IL 60661, Attn: Angela Alexandrakis with an electronic copy by email to [Angela.Alexandrakis@illinois.gov](mailto:Angela.Alexandrakis@illinois.gov). The petition for hearing must be in writing and set forth the petitioner's license number, docket number of the administrative decision that resulted in discipline, and date of the administrative decision, pursuant to 38 Ill. Adm. Code 100.30(c). Each party that requests a hearing shall pay a \$500 nonrefundable fee to the Department in accordance with 38 Ill. Adm. Code 100.20. After receipt of a properly completed and timely petition for hearing, a case will be docketed and notice sent to the petitioner setting forth the date, time, and place of the hearing. Absent a petition for a hearing, this Order shall constitute a final administrative decision subject to the Administrative Review Law [735 ILCS 5/3-101 *et seq.*].**