

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF BANKING

IN THE MATTER OF:)
) 2024-MB-13
DAS ACQUISITION COMPANY, LLC)
License No. MB. 0006273, NMLS 227262)
Linda Pring, CEO)
12140 Woodcrest Executive Drive, Ste. 150)
St. Louis, MO 63141)

CONSENT ORDER

The ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF BANKING (“Department”) and **DAS ACQUISITION COMPANY, LLC** (“**DAS ACQUISITION**”) hereby enter into this Consent Order pursuant to the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635] and the Rules of the Residential Mortgage License Act of 1987 (“Rules”) [38 Ill. Adm. Code 1050] and stipulate and agree as follows:

STIPULATION & AGREEMENT

The Department and **DAS ACQUISITION** stipulate that the Department, pursuant to its authority under the Act and Rules, conducted a review of **DAS ACQUISITION’S** compliance with the Residential Real Property Disclosure Act, 765 ILCS 77 et seq. (“RRPDA”), specifically including **DAS ACQUISITION’S** (1) entry of loans into the Anti-Predatory Lending Database, and (2) providing housing counseling when indicated under the RRPDA.

STATUTORY PROVISIONS

1. Section 4-1(h-1) of the Act grants the Department 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 purpose of administering the provisions of this Act and any rule adopted in accordance with the Act.
2. Section 4-5(i) of the Act states, in part, the following acts shall constitute grounds for disciplinary action which include: (2) fraud, misrepresentation, deceit or negligence in any mortgage transaction, (17) violating any provision of this Act or rule promulgated under this Act, (18) failure to comply with or any violation of any provision of Article III of the RRPDA.

3. Section 4-5(h)(5) of the Act provides for the imposition of a fine not to exceed \$25,000 for each count or separate offense.
4. Section 70 of the RRPDA requires mortgage brokers or loan originators to submit to the Anti-Predatory Lending Database (“APLD”) all of the information required under RRPDA Section 72 for any mortgage on property within the program area of Cook, Kane, Peoria, and Will counties. Information must be entered within 10 business days after taking a mortgage loan application. Section 70 of the RRPDA further provides that, if the Department recommends counseling for a borrower, the borrower must schedule a counseling interview with a HUD-approved counselor within 10 business days. The broker or originator may not take any legally binding action concerning a loan transaction until the borrower and counselor submit all the required information to the APLD.
5. Section 72 of the RRPDA requires that all information entered into the APLD must be true and correct to the best of the broker’s knowledge and updated prior to closing.
6. Section 73 of the RRPDA provides that a borrower shall be recommended for counseling where the borrower is a first-time homebuyer or refinancing a primary residence and one of the following exists: 1) the loan permits interest only payments; 2) the loan may result in negative amortization; 3) the total points and fees payable by the borrower at or before closing will exceed 5%; 4) the loan includes a prepayment penalty; or 5) the loan is an adjustable rate mortgage.
7. Section 1050.1175 of the Rules requires a licensee engaged in loan brokerage or loan origination to maintain a Loan Log for each residential mortgage loan application. The loan log contains 16 required fields of information. All information provided must be accurate and updated to remain current.

FACTUAL FINDINGS

8. On or around May 2022, the Department discovered information that a loan entered in the APLD by DAS ACQUISITION triggered a housing counseling requirement; however, DAS ACQUISITION closed said loan without the borrowers receiving proper counseling. Subsequently, a title company improperly generated an exemption certificate in order to record the mortgage.
9. The Department commenced a broader review of DAS ACQUISITION based on this discovery, and found the following:
 - a. Failure to Provide Housing Counseling. Through the review the Department discovered two additional loans which required counseling yet proceeded to closing without the borrowers ever receiving such counseling. In each of the three discovered instances, a title company improperly issued an exemption certificate, showing the respective loan was “exempt” from APLD, in order to record the mortgage. None of the three loans were actually exempt.

- b. Failure to Timely and Accurately make Entries into APLD. The Department, through its review of the loan log and comparison to the entries in APLD, found, of 278 loan applications in APLD counties originated by DAS ACQUISITION, 83 distinct and inaccurate entries were detected in the APLD, and 27 loans were entered late into the APLD, as follows:
- i. DAS ACQUISITION failed to enter 27 loans into APLD within ten business days of taking the loan application, a violation of Section 70 (c).
 - ii. DAS ACQUISITION closed 5 loans that were never entered into APLD, a violation of Section 70(c) and (e).
 - iii. DAS ACQUISITION entered 60 inaccurate entries into APLD and the loan log including: 35 loans reporting interest rates that varied from the actual rate at closing, 48 loans reporting no points and fees when points and fees were actually payable by the borrower at or before closing, violations of Section 72. Also, through reviewing entries in the APLD, four loans were identified that were not found entered into the loan log, in violation of Section 1050.1175 of the Rules.

TERMS AND CONDITIONS

WHEREFORE, the Department and DAS ACQUISITION agree as follows:

- I. DAS ACQUISITION'S Residential Mortgage License No. MB 0006273 is placed up Probation pursuant to Section 4-5(h)(3) of the Act for a period of 24 months from the Effective Date of this Consent Order (the "Term").
- II. During the probationary Term, the Department may conduct periodic examinations and DAS ACQUISITION shall enhance its compliance policies and procedures and training as described in paragraphs IV and V, below, and self-report its progress to the Department.
- III. After a period of 12 months from the Effective Date of this Consent Order, if the Department determines, in its sole discretion, that DAS ACQUISITION is operating in a safe, sound, and lawful manner, the Department may terminate the probationary Term.
- IV. For the Term, or so long as Licensee takes loan applications subject to the Act: (1) for each quarter Licensee shall submit to the Department 10 randomly selected transactions from Cook, Kane, Peoria, and Will counties to analyze compliance with the RRPDA, and (2) Licensee shall provide to the Department the following information using the form and format provided by the Department within two weeks of the end of each quarter.
 - a. For all transactions:
 - i. The Anti-Predatory Lending Database ("APLD") loan ID
 - ii. If no APLD entry, basis for any exemptions
 - iii. In Licensee's opinion was the APLD entry accurate and proper?

- iv. PIN
- v. Date of application
- vi. Date of original entry in APLD
- vii. Whether the borrower or borrowers were all first-time homebuyers or refinancing a primary residence
- viii. The principal balance of the loan at closing
- ix. The principal loan balance entered by originator/broker
- x. The interest rate of the loan at closing
- xi. The interest rate entered by originator/broker
- xii. The total % points and fees at closing
- xiii. The % points and fees entered by originator/broker
- xiv. Were the loan terms updated in APLD? (y, n, or n/a)
- xv. Whether there were interest only payments
- xvi. The % points and fees entered by originator/broker
- xvii. Were the loan terms updated in APLD? (y, n, or n/a)
- xviii. Whether there was negative amortization
- xix. Whether there was a prepayment penalty
- xx. Whether there was an adjustable rate within three (3) years.

- b. Licensee shall provide a methodology acceptable to the Department by which it will randomly select the transactions before it conducts its first quarterly review, but in no event later than 30 days after the Effective Date of this Consent Order.

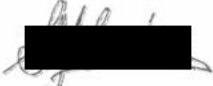
- V. Licensee shall demonstrate to the Department that it has (1) enhanced its policies and procedures regarding oversight of RRPDA and loan documentation compliance and (2) provided, at least annually, and within 90 days of hiring for new hires, a training to its employees and agents who submit or intend to submit, either directly or indirectly, information to the APLD on behalf of Licensee.
- VI. Licensee shall provide the training and oversight to persons engaged to perform loan origination or processing services on behalf of Licensee, but not third parties such as closing attorneys and title agents who have independent obligations under the RRPDA. These policies and procedures and training must include, but not be limited to: compliance with the Act and its implementing regulations; ethics in the residential mortgage loan industry; and understanding mortgage loans.
- VII. Licensee's training shall also include compliance with RRPDA, requirements to input APLD information within 10 days of loan application, update any changes, and ensure that loans requiring counseling pursuant to the RRPDA are identified. The verification of adequate training and policies and procedures with the Department must occur within 60 days after the Effective Date of this Consent Order.
- VIII. During the Term, DAS ACQUISITION shall notify the Department in writing of all training courses it intends to offer pursuant to Paragraph V at least 30 days prior to the date

of the training.

- IX. DAS ACQUISITION shall provide a copy of all training materials it intends to use at any trainings conducted pursuant to Paragraph V at least 14 days before the scheduled training. The Department, in its sole discretion and with prior notice to DAS ACQUISITION may attend or participate in the trainings.
- X. DAS ACQUISITION will submit all requested documents via email, unless stated otherwise, to the email address that will be provided by the Department.
- XI. DAS ACQUISITION is to pay a fine to the Department pursuant to the Act, in the amount of Fifteen Thousand Dollars (\$15,000) ("Fine"). The Fine shall be submitted to the Department within 14 days of the Effective Date through the Nationwide Multistate Licensing System.
- XII. DAS ACQUISITION agrees to comply with all of the corrective action measures in paragraphs I through IX of the Consent Order during the Term. In the event DAS ACQUISITION fails to comply with these corrective action measures, the Department reserves the right to assess and enforce any of its disciplinary authority under the Act and Rules, up to and including additional fines and license revocation.
- XIII. By executing this Consent Order, DAS ACQUISITION agrees to not file any petition for administrative hearing or judicial review of, or in connection with, this Consent Order, except in any proceeding by the Department to enforce compliance with the terms of this Consent Order.
- XIV. DAS ACQUISITION acknowledges that it has had the opportunity to be represented by legal counsel in this matter, and that it willingly enters into this Consent Order after full review, evaluation, and consideration with full knowledge of its rights under the Act, Rules, and Illinois Administrative Procedure Act [5 ILCS 100].
- XV. The Department enters into this Consent Order for the purpose of imposing measures that are fair and equitable under the circumstances and that are consistent with the best interests of the people of the State of Illinois.
- XVI. This Consent Order shall become effective (the "Effective Date") after all of those hereinafter designated sign and date the Consent Order, as of the date that the last of those designated for the Department sign and date the Consent Order.


The foregoing Consent Order is approved in full.

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF BANKING



SUSANA SORIANO
ACTING DIRECTOR

Date: 11/25/2024



Linda Fring, CEO
DAS Acquisition Company, LLC

Date: 11/19/2024