

**STATE OF ILLINOIS**

**DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION**

**DIVISION OF BANKING**

IN THE MATTER OF: )  
 ) 2025-MB-01-b  
**CLS MORTGAGE INC.** )  
License No. MB.6761807; NMLS ID 2043652 )  
917 Plum Grove Road, Suite C )  
Schaumburg, IL 60173 )

**CONSENT ORDER**

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

**STIPULATION & AGREEMENT**

The Department and CLS stipulate that the Department, pursuant to its authority under the Act and Rules, conducted a review of CLS’s compliance with the Residential Real Property Disclosure Act [765 ILCS 77] (“RRPDA”), specifically including CLS’s entry of loans into the Anti-Predatory Lending Database (“APLD”).

**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, that the following acts shall constitute grounds for disciplinary action: (2) fraud, misrepresentation, deceit or negligence in any mortgage transaction, (17) violating any provision of this Act or rule promulgated under this Act, and (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.
5. Section 72 of the RRPDA requires that all information entered into the APLD must be true and correct to the best of the originator’s knowledge and updated prior to closing.

### **FACTUAL FINDINGS**

6. In 2021, Department staff reviewed CLS’s compliance with the Anti-Predatory Lending Database (“APLD”) and discovered that CLS had not timely entered any of its 152 refinance loans generated in 2021 into APLD, in violation of the RRPDA.
7. The Department informed CLS of this improper activity in 2022, but further review uncovered additional violations of the RRPDA in 2022 and 2023, including:
  - a. Late entries of loan data into APLD in totaling 11, including 7 entries commenced the day of closing in violation of RRPDA Section 70; and
  - b. Inaccurate reporting of points and fees in the APLD totaling 3 entries in violation of RRPDA Section 72.

### **TERMS AND CONDITIONS**

WHEREFORE, the Department and CLS agree as follows:

- I. CLS’s Residential Mortgage License No. MB.6761807 is placed on Probation pursuant to Section 4-5(h)(3) of the Act for a period of 24 months from the Effective Date (the “Term”).
- II. During the Term, the Department may conduct periodic examinations and CLS shall enhance its compliance policies and procedures and training as described in Paragraphs VI-VIII, below, and self-report its progress to the Department.
- III. After a period of 12 months from the Effective Date, if the Department determines, in its sole discretion, that CLS is operating in a safe, sound, and lawful manner, the Department may terminate the Term.
- IV. For the Term: (1) each quarter, CLS shall submit to the Department 20 randomly selected transactions from Cook, Kane, Peoria, and Will counties to analyze compliance with the RRPDA, and (2) CLS shall provide to the Department the following information for each randomly selected transaction using the form and format provided by the Department

within two weeks of the end of each quarter:

- a. The Anti-Predatory Lending Database (“APLD”) loan ID
  - b. If no APLD entry, basis for any exemptions
  - c. In Licensee’s opinion was the APLD entry accurate and proper?
  - d. PIN
  - e. Date of application
  - f. Date of original entry in APLD
  - g. Whether the borrower or borrowers were all first-time homebuyers or refinancing a primary residence
  - h. The principal balance of the loan at closing
  - i. The principal loan balance entered by originator/broker
  - j. The interest rate of the loan at closing
  - k. The interest rate entered by originator/broker
  - l. The total % points and fees at closing
  - m. The % points and fees entered by originator/broker
  - n. Were the loan terms updated in APLD? (y, n, or n/a)
  - o. Whether there were interest only payments
  - p. The % points and fees entered by originator/broker
  - q. Were the loan terms updated in APLD? (y, n, or n/a)
  - r. Whether there was negative amortization
  - s. Whether there was a prepayment penalty
  - t. Whether there was an adjustable rate within three (3) years.
- V. CLS shall provide a methodology acceptable to the Department by which it will randomly select the transactions before it conducts its first quarterly review, and in no event later than 30 days after the Effective Date.
- VI. CLS 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.
- VII. CLS 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.
- VIII. CLS’s training shall also include compliance with RRPDA, requirements to input APLD information within 10 days of loan application, updating any changes, and ensuring 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.

- IX. During the Term, CLS shall notify the Department in writing of all training courses it intends to offer pursuant to Paragraphs VI-VIII at least 30 days prior to the date of the training.
- X. CLS shall provide a copy of all training materials it intends to use at any trainings conducted pursuant to Paragraphs VI-VIII at least 14 days before the scheduled training. The Department, in its sole discretion and with prior notice to CLS may attend or participate in the trainings.
- XI. CLS will submit all requested documents via email, unless stated otherwise, to the email address that will be provided by the Department.
- XII. CLS is to pay a fine to the Department pursuant to the Act, in the amount of \$17,000 ("Fine"). The Fine shall be submitted to the Department within 14 days of the Effective Date through the Nationwide Multistate Licensing System.
- XIII. CLS agrees to comply with all of the corrective action measures in Paragraphs I-X of the Consent Order during the Term. In the event CLS 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.
- XIV. By executing this Consent Order, CLS 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.
- XV. CLS 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 the Illinois Administrative Procedure Act [5 ILCS 100].
- XVI. 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.
- XVII. 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: 2/19/2025

  
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Parthiv Patel, President  
CLS Mortgage, Inc.

Date: 2/18/25