

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

IN THE MATTER OF:)
)
) No. 2012-MLO-01
SHERIKA R. WILLINGHAM)
774 S. Foley Ave.)
Kankakee, IL 60901)
)

ORDER REVOKING
MORTGAGE LOAN ORIGINATOR LICENSE & ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (“Department”), having reviewed the activities of licensed Mortgage Loan Originator Sherika R. Willingham (“Willingham”), 774 S. Foley Ave., Kankakee, IL 60901, and having documented violations of Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635] and the rules promulgated under the Act (“Rules”) [38 Ill. Adm. Code 1050], hereby issues this Order for violations of the Act and Rules.

STATUTORY PROVISIONS

1. Section 7-13 of the Act provides a list of prohibited acts and practices for mortgage loan originators, in relevant part as follows: (1) directly or indirectly employ any scheme, or artifice to defraud or mislead borrowers or lenders or to defraud any person; (2) engage in any unfair or deceptive practice toward any person; (3) obtain property by fraud or misrepresentation; (7) fail to make disclosures as required by this Act and any other applicable State or federal law, including regulations thereunder; (8) fail to comply with this Act or rules or regulations promulgated under this Act, or fail to comply with any other state or federal law, including the rules and regulations thereunder, applicable to any business authorized or conducted under this Act; (9) make, in any manner, any false or deceptive statement or representation of a material fact, required on any document or application subject to this Act; and (15) engage in conduct that constitutes dishonest dealings.
2. Section 1050.2165 of the Rules lists averments each applicant for loan originator must aver to, which include but are not limited to: b) will not make a false or misleading statement of a material fact, omit a required statement or make a false promise regarding a material fact, through advertising or other means, or engage in a course of misrepresentation; c) will not engage in conduct that constitutes or dishonest dealings; and e) will not knowingly make, propose, or solicit fraudulent, false, or misleading statements on any mortgage document or on any document related to a mortgage, including a mortgage application, real estate appraisal, or real estate settlement or closing document.

3. Section 1050.2170 (a) of the Rules gives the Secretary the authority to revoke and fine a loan originator for violating the Act or any applicable law or regulation that is committed. If the loan originator engages in a pattern of repeated violations the Secretary may impose a fine of not more than \$2,000 for each day for each violation committed.
4. Section 7-11 of the Act states the Secretary may revoke and/or fine a loan originator for violating the Act or any applicable law or regulation that is committed. If the loan originator engages in a pattern of repeated violations the Secretary may impose a fine of not more than \$2,000 for each day for each violation committed.

FACTUAL FINDINGS

5. That Willingham was an Illinois Loan Originator Registrant holding expired certificate of registration No. 031.0006871 and having the last known address of 774 S. Foley Ave., Kankakee, IL 60901.
6. On April 4, 2012, the Department became aware of the grand jury indictment in the U.S. District Court for the Central District of Illinois (case no. 11-20037) against Willingham based on her involvement in a mortgage fraud scheme. The matter was reviewed by the Department investigator and subsequently forwarded to Legal.
7. Willingham is alleged to have participated in said fraud scheme by devising and participating with others in a scheme to defraud various real estate lenders by means of materially false and fraudulent pretences, representations, promises and material omissions, receive loans for real estate transactions where the Registrant and others split the money through a series of complex financial transactions but never purchased the property.
8. The indictment alleges that in furtherance of the scheme Willingham engaged in the practice of fraudulent real estate flipping whereby Willingham and others made false representations that caused lending institutions to finance rental real estate properties that were sold at prices that Willingham caused to be fraudulently inflated. The monies obtained from the inflated purchase prices were used to pay the seller's asking price, the down payment, closing costs and a profit/kickback for Willingham.
9. The indictment alleges as part of the scheme at the real estate closing a false HUD-1 was sent to the lenders and would not disclose the kickbacks and a second HUD-1 showing the actual kickback payments to the buyers and Willingham would be placed in the closing file.
10. The indictment alleges Willingham provided and caused to be provided false information to the lenders including information about the financial condition of the buyer, source of any deposit or earnest money, and false HUD-1 settlement statements. The Respondent caused material omissions in the information provided to the lenders including the sales price requested by the sellers and the kickback payments paid to the buyers and the Respondent.
11. The indictment alleges that as a result of Willingham's scheme, Willingham caused lenders to finance and close on at least 40 real estate financing transactions on seven Kankakee properties totaling more than \$2.5 million and resulting in losses to lenders and others.

LEGAL CONCLUSIONS

12. Sherika R. Willingham violated Sections 7-13 (1), (2), (3), (7), (8), (9) & (15) of the Act and Sections 1050.2165(b),(c)&(e).

NOW IT IS HEREBY ORDERED THAT,

1. The Department **REVOKES** Sherika R. Willingham, License No. 031.0006871, pursuant to 7-11 of the Act and Section 1050.2170(a)(1) of the Rules.
2. The Department assesses a **FINE** against Sherika R. Willingham in the amount of \$10,000 pursuant to 7-11 of the Act and Sections 1050.2170(a)(2) of the Rules. The fine is payable by certified check or money order within thirty (30) days of the effective date of this Order to the:

**Department of Financial and Professional Regulation
Division of Banking
ATTN: Loan Originator Section
320 W. Washington, 5th Floor
Springfield, Illinois, 62786.**

ORDERED THIS ____ DAY OF _____, 2012

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
BRENT E. ADAMS, SECRETARY
DIVISION OF BANKING

MANUEL FLORES, 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 party may file a request for a hearing on an administrative decision. The request for a hearing and \$250 hearing fee by certified check or money order shall be filed with the Department at 320 West Washington Street, 5th Floor, Springfield, IL 62786, ATTN: Loan Originator Section within 10 days after the receipt of an administrative decision. The request for hearing must include an explicit admission, denial, or appropriate response to each allegation or issue contained in the administrative decision pursuant to 38 Ill. Adm. Code 1050.1570. 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 *et seq.*].

State of Illinois (
(ss:
County of Cook (

The undersigned, being duly sworn on oath, states that on ____/____/____, I mailed with sufficient postage affixed, a copy of the foregoing ORDER REVOKING MORTGAGE LOAN ORIGINATOR LICENSE AND ASSESSING FINE by regular and certified mail, return receipt requested at 122 S. Michigan Avenue, Suite 1900, Chicago, Illinois 60603, to the address of Respondent registered with IDFPR Division of Banking listed below:

AFFIANT

Subscribed and sworn to before me,
this ____ day of _____, 2012

NOTARY PUBLIC

Sent to:

SHERIKA R. WILLINGHAM
774 S. Foley Ave.
Kankakee, IL 60901