

**STATE OF ILLINOIS**

**DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION**

**DIVISION OF BANKING**

IN THE MATTER OF: )  
)  
) No. 2012-MLO-02  
**HAKEEM H. RASHID** )  
1239 E. 46<sup>th</sup> St. )  
Chicago, IL 60653 )  
)

**ORDER REVOKING  
LOAN ORIGINATOR REGISTRATION & ASSESSING FINE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (“Department”), having reviewed the activities of expired Illinois Loan Originator Registrant Hakeem H. Rashid (“Rashid”), 1239 E. 46<sup>th</sup> St., Chicago, IL 60653, 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; (10) Negligently make any false statement or knowingly and willfully make any omission of material fact in connection with any information or report filed with a governmental agency or the Nationwide Mortgage Licensing System and Registry or in connection with any investigation conducted by the Director or another governmental agency; (11) make any payment, threat or promise, directly or indirectly, to any person for the purpose of influencing the independent judgment of the person in connection with a residential mortgage loan, or make any or indirectly, to any person, or make any payment threat or promise, directly or indirectly, to any appraiser of a property, for the purpose of influencing the independent judgment of the appraiser with respect to the value of the property; (12) Collect, charge, attempt to collect or charge, or use or propose any agreement purporting to collect or charge any fee prohibited by this Act; (15) engage in conduct that constitutes dishonest dealings; and (19) Fail to give reasonable consideration to a borrower's ability to repay the debt.

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 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 mortgage loan originator for violating the Act or any applicable law or regulation that is committed. If the mortgage 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 Rashid was an Illinois Loan Originator Registrant holding expired certificate of registration No. 031.0012739 and having the last known address of 1239 E. 46<sup>th</sup> St., Chicago, Illinois 60653.
6. On June 5, 2012, the Department became aware of the grand jury indictment in the U.S. District Court Northern District of Illinois Eastern Division (case no. 12CR411) against Rashid based on his involvement in a mortgage fraud scheme. The matter was reviewed by the Department investigator and subsequently forwarded to the Department's Legal Section and an enforcement issue was created.
7. Rashid is alleged in the indictment to have, beginning in or about 2005 and continuing until on or about May 2008, participated with others in devising, intending to devise and participating in a scheme to defraud and to obtain money and property from lenders by means of materially false and fraudulent pretenses, representations, and promises, which scheme affected financial institutions.
8. The indictment alleges Rashid and co-offenders fraudulently caused to be issued at least 35 mortgage loans in a total amount of at least \$16.2 million from lenders by making materially false representations in documents submitted to lenders, including loan applications and HUD-1 settlement statements, concerning, among other things, the buyers' income, employment, financial condition, source of down payment, and intention to occupy the property.
9. The indictment alleges that Rashid and others recruited and caused to be recruited buyers to purchase properties, and facilitated buyers' purchases of the properties, knowing that the buyers would be fraudulently qualified for mortgage loans. The properties included eleven properties in Chicago, Illinois and one in Country Club Hills, Illinois.

10. The indictment alleges that the Rashid and others purchased properties and refinanced existing mortgage loans in their own names, knowing that they were fraudulently qualified for mortgage loans for four additional properties located in Chicago, Illinois.
11. The indictment also alleges that Rashid and others prepared and submitted, and caused to be prepared and submitted, mortgage loan applications to lenders that Rashid and co-offenders knew contained materially false and fraudulent representations and the buyers' qualification, including false statements about the buyers' income, assets, liabilities, employment, financial condition, source of down payment, rental history, and intention to occupy the property.
12. The indictment alleges that Rashid and others falsely represented, and caused others to falsely represent, to lenders attempting to verify employment for buyers seeking mortgage loans, that the buyers were employed at certain entities when Rashid knew that the buyers were not employed at those entities.
13. The indictment alleges that as part of the mortgage fraud scheme, Rashid and others falsely represented, and caused others to falsely represent, to lenders attempting to verify rental history for buyers seeking mortgage loans, that buyers had paid rent for properties managed or owned by certain entities and individuals when in fact the Respondent knew that the buyers did not pay rent to those entities or individuals.
14. The indictment alleges that Rashid and others knowingly concealed from lenders payments to various individuals, including the Respondents, by directing that those payments be made to entities Rashid and others controlled.
15. The indictment alleges that Rashid paid and caused to be paid buyers for purchasing properties, knowing that those payments had been concealed from lenders that made loans to the buyers.
16. The indictment further alleges that Rashid and another offender caused false documents, including, HUD-1 settlement statements, to be submitted to lenders, knowing that the documents falsely stated that money was being held in escrow when Rashid knew that the seller of the property did not remain in the property and no money was being held in escrow pursuant to a possession escrow agreement.
17. The indictment alleges that Rashid and others concealed, misrepresented, and hid, and caused to be concealed, misrepresented, and hidden, the existence of the scheme, the purposes of the scheme, and the acts done in furtherance of the scheme.

### **LEGAL CONCLUSIONS**

18. Hakeem H. Rashid violated Sections 7-13 (1), (2), (3), (7), (8), (9), (10), (11), (12), (15) and (19) of the Act and Sections 1050.2165(b),(c)&(e).

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

1. The Department **REVOKES** Hakeem H. Rashid, Loan Originator Certificate of Registration No. 031.0012739, pursuant to 7-11 of the Act and Section 1050.2170(a)(1) of the Rules.

2. The Department assesses a **FINE** against Hakeem H. Rashid 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, 5<sup>th</sup> 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, 5<sup>th</sup> 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 LOAN ORIGINATOR REGISTRATION 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 IDFPD Division of Banking listed below:

\_\_\_\_\_  
AFFIANT

Subscribed and sworn to before me,  
this \_\_\_\_ day of \_\_\_\_\_, 2012

\_\_\_\_\_  
NOTARY PUBLIC  
\_\_\_\_\_

Sent to:

HAKEEM H. RASHID  
1239 E. 46<sup>th</sup> St.  
Chicago, IL 60653