

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:)
) No. 2013-MLO-04
JOSEPH DEITSCHEL)
IL License No. 031.0006389)
614 Hingham Lane,)
Schaumburg, Illinois 60193)

**ORDER REVOKING
MORTGAGE LOAN ORIGINATOR LICENSE & ASSESSING FINE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (“Department”), having investigated and reviewed the activities of JOSEPH DEITSCHEL (“DEITSCHEL”), 614 Hingham Lane, Schaumburg, Illinois 60193, and documented violations by DEITSCHEL of the 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 to DEITSCHEL this ORDER REVOKING MORTGAGE LOAN ORIGINATOR LICENSE & ASSESSING FINE.

STATUTORY PROVISIONS

1. Section 1-4(jj) of the Act defines a mortgage loan originator as an individual who for compensation or gain or in the expectation of compensation or gain (i) takes a residential mortgage loan application; or (ii) offers or negotiates terms of a residential mortgage loan.
2. Section 7-11 of the Act authorizes the Department to revoke and/or fine, or otherwise discipline, the license of a Mortgage Loan Originator if the Secretary finds that the Mortgage Loan Originator has violated this Act or any other applicable law or regulation. A maximum fine is authorized of \$1,000 for each day for each violation of this Act or other applicable law or regulation that is committed, and may be double for repeat violations, and tripled for engaging in an act prohibited by item (1) of Section 7-13 of the Act.
3. 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, devise or artifice to defraud or mislead borrowers, or lenders; (6) conducting any business covered by this Act without holding a valid license as required under this Act, or assist or aid and abet any person in the conduct of business under this Act without a valid license as required under this Act; (8) failing 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; and (15) engaging in conduct that constitutes dishonest dealings.

4. Section 1050.2165(c) of the Rules requires that each application for a Loan Originator Certificate of Registration shall be accompanied by averments stating that the applicant will not engage in conduct that constitutes dishonest dealings.
5. Section 1050.2170 of the Rules gives the Director the authority to a) impose a fine of not more than \$1,000 for each day for each violation of the Act or this Part that is committed. If the Loan Originator engages in a pattern of repeated violations, the Division may impose a fine of not more than \$2,000 for each day for each violation committed.

FACTUAL FINDINGS

6. DEITSCHEL is an Illinois Mortgage Loan Originator holding active Mortgage Loan Originator Certificate of Registration No. 031.0006389 for the period of 01/01/2013 to 12/31/2013. His last known address was 614 Hingham Lane, Schaumburg, Illinois 60193.
7. DEITSCHEL worked under the license of Apollo Mortgage Finance Corp. (MB.0006086) ("Apollo Mortgage") for all purposes of this Order.
8. On March 24, 2011, the Department's received a complaint stating that Apollo Mortgage was employing the services of an unlicensed Mortgage Loan Originator, which it identified as Alfredo Busano ("Busano"). The Department's internal records showed that Apollo Mortgage was properly licensed as a mortgage broker in Illinois at that time; however, Busano was not licensed as a Mortgage Loan Originator in Illinois.
9. On March 30, 2011, the Department's Investigator conducted an on-site visit of Apollo Mortgage's offices in Hoffman Estates, Illinois during which the Investigator met and interviewed Busano.
10. During Busano's meeting with the Department's Investigator, he explained that DEITSCHEL'S primary job duties were posting current loan rates, terms and programs online, which would be automatically sent to potential clients who submitted loan applications. Although the company's loan log dating from April 21, 2008 to March 19, 2011 listed DEITSCHEL as the Mortgage Loan Originator of record on 70 Loan Applications, Busano stated that DEITSCHEL had limited contact with borrowers and limited loan processing duties. The Investigator later interviewed the borrowers; most of who confirmed that they worked with Busano and had never heard of, worked with or spoken to DEITSCHEL regarding their loan transactions with Apollo Mortgage. Busano admitted to originating 70 loans using DEITSCHEL'S forged name and/or signature as identified in the order against Apollo Mortgage (2013-MBR-47, "Apollo Order").
11. On March 8, 2011, the Department investigator met and interviewed DEITSCHEL during which he admitted to receiving compensation of \$100 for each loan file that eventually closed, per his employment agreement. DEITSCHEL knowingly received compensation for these loans although he did not originate or process them. He admitted that the compensation was payment for allowing Apollo Mortgage records to reflect that a registered Loan Originator handled the Loan Applications in question. He was also aware that Busano had previously forged his name and signature on some loan applications. DEITSCHEL received \$4,600 as payment for 46 loans closed for the borrowers identified in the Apollo Order.

LEGAL CONCLUSIONS

BASED UPON THE ABOVE FACTUAL FINDINGS, THE DEPARTMENT CONCLUDES:

12. DEITSCHHEL violated Sections 7-13(1), (6), (8), and (15) of the Act and Section 1050.2165(c) of the Rules

NOW IT IS HEREBY ORDERED THAT,

1. The Department **REVOKES** DEITSCHHEL'S License No. 031.0006389 pursuant to Section 7-11 of the Act.
2. The Department assesses a **FINE** against DEITSCHHEL in the amount of \$11,000 (\$3,000 for violation of 7-13(1) of the Act and \$2,000 for each additional violation cited) pursuant to Section 7-11. 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^h Floor
Springfield, Illinois, 62786**

ORDERED THIS ____ DAY OF _____, 2013

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
MANUEL FLORES, ACTING SECRETARY

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 & ASSESSING FINE** by regular and certified mail, return receipt requested at 100 W. Randolph Street, Chicago, Illinois 60601, to the address of Respondent registered with the Department and listed below:

AFFIANT

Subscribed and sworn to before me,

this _____ day of _____, 2013

NOTARY PUBLIC

Sent to:

JOSEPH DEITSCHER
614 Hingham Lane,
Schaumburg, Illinois 60193