

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

IN THE MATTER OF: )  
) No. 2013-MLO-06  
**LORENA SALGADO** )  
IL Registration No. 031.0010573 )  
7527 Eleanor Place )  
Willowbrook, IL 60527 )

**ORDER REVOKING**  
**LOAN ORIGINATOR CERTIFICATE OF REGISTRATION AND ASSESSING FINE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (“Department”), having conducted an investigation of LORENA SALGADO (“SALGADO”), 7527 Eleanor Place, Willowbrook, IL 60527, and found violations of the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635], the rules promulgated under the Act (“Rules”) [38 Ill. Adm. Code 1050], and the Mortgage Rescue Fraud Act (“MRFA”) [765 ILCS 940] the Secretary hereby issues this ORDER TO REVOKE LOAN ORIGINATOR CERTIFICATE OF REGISTRATION AND ASSESSING FINE.

**STATUTORY PROVISIONS**

1. Section 1-4(jj) defines the “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. Included in the definition are individuals who participate in residential mortgage loan modification activities. A mortgage loan originator engaged in loan modification activities shall report those activities to the Department in the manner provided by the Department.
2. Section 1-4(yy) defines “loan modification” to mean for compensation or gain, either directly or indirectly offering or negotiating on behalf of a borrower or homeowner to adjust the terms of a residential mortgage loan in a manner not provided for in the original or previously modified loan.
3. 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, \$3,000 for each day for each violation for engaging in 7-13(1) and \$2,000 for repeat violations.
4. Section 7-13 of the Act prohibits certain acts and practices by mortgage loan originators (“MLO”) including employing a scheme to defraud or mislead borrowers, engaging in any unfair

or deceptive practice, obtaining property by fraud or misrepresentation, aiding and abetting any person in the conduct of business under this Act without a valid license. MLOs are prohibited from collecting or charging advance fees for loan modifications. MLOs are prohibited from violating State law.

5. Section 1050.2165 of the Rules requires each Loan Originator (“LO”) applicant to aver not to engage in certain acts and practices that are false or misleading.
6. 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.
7. The Mortgage Rescue Fraud Act (“MRFA”) [765 ILCS 940] requires any person who, directly or indirectly, for compensation from a distressed owner, makes any solicitation, representation, or offer to perform loan modification activities to provide distressed owners statutorily defined contract terms and notice rights and refrain from taking an interest in the distressed owner’s home or securing advance payments prior to performing the contracted for service.

#### **FACTUAL FINDINGS**

8. SALGADO is a loan originator holding expired Registration No. 031.0010573 and formerly active for the period of September 28, 2005 to December 31, 2010.
9. SALGADO was working for Jesus Mendoza at Jesus Mendoza, LLC/JM Financial Services (“Jesus Mendoza, LLC”) located at 5531 W. Cermak Road, Cicero, Illinois 60804. Neither Jesus Mendoza nor Jesus Mendoza, LLC were licensed by the Department under the Act.
10. Borrower V.A. (“V.A.”) filed a complaint that was received by the Department on August 13, 2012 against Mendoza and Jesus Mendoza LLC for failure to provide any loan modification services for the money V.A paid.
11. V.A.’s complaint alleges Mendoza had informed V.A. that through Mendoza’s company, Jesus Mendoza LLC, Mendoza could assist V.A. in obtaining a loan modification for three of V.A.’s properties for a \$750 up-front down payment fee.
12. V.A. provided the Investigator with business cards he received from Jesus Mendoza indicating that loan modification services were available. Additionally, one of the cards had SALGADO’S name on it with the title Senior Loan Officer.
13. According to V.A., V.A. was told by Mendoza to write the check in the amount of \$750.00 for the loan modifications to SALGADO. Said check was written by V.A. through his Chase account on August 4, 2009 with the word “Modification” on the memo line.
14. SALGADO was previously disciplined by the Department in Order 2009-LO-28 issued on July 13, 2009 for holding herself out to be working for an Illinois Residential Mortgage Licensee when she in fact was not sponsored by any company and in an inactive status.

**LEGAL CONCLUSIONS**

**COUNT I**

15. SALGADO, without a current MLO license solicited, advertised and offered loan modification services. SALGADO is in violation of Sections 7-13 (2), (3), (6), (9) and (15) of the Act and Sections 1050.2165 (b), (c) and (e) of the Rules.

**COUNT II**

16. SALGADO accepted an upfront payment for loan modification services she failed to perform. SALGADO is in violation of Sections 7-13 (1), (8) (for having violated Section 50(a)(1) of the MRFA), and (12) of the Act.

**NOW IT IS HEREBY ORDERED THAT,**

1. The Department **REVOKES** LORENA SALGADO'S Loan Originator Certificate of Registration No. 031.0010573 pursuant to Section 7-11 of the Act and Section 1050.2170 (a)(1) of the Rules.
2. The Department assesses a **FINE** against LORENA SALGADO in the amount of \$13,000 (\$1,000 per citation in Counts I and II except \$3,000 for violation of 7-13(1)) pursuant to Section 7-11 of the Act and Section 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 \_\_\_\_\_, 2013

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

DIVISION OF BANKING

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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 CERTIFICATE OF REGISTRATION AND ASSESSING FINE** by regular and certified mail, return receipt requested at 100 W. Randolph St., Chicago, Illinois 60601, to the address of Respondent registered with IDFPR Division of Banking listed below:

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AFFIANT

Subscribed and sworn to before me,  
this \_\_\_\_ day of \_\_\_\_\_, 2013

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NOTARY PUBLIC

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Sent to:

LORENA SALGADO  
7527 Eleanor Place  
Willowbrook, IL 60527