

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

IN THE MATTER OF:)
)
) No. 2008-MBR-85
STERLING FINANCIAL MORTGAGE CORP.)
License No. MB.0006945)
Attention: Robert Gouwens)
10002 W. 190th Place)
Mokena, IL 60448)

ORDER ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having reviewed licensable activities conducted by Sterling Financial Mortgage Corp. (the “Licensee”) and having documented violations of the Residential Mortgage License Act of 1987 (the “Act”) [205 ILCS 635] and the rules promulgated under the Act (the “Rules”) [38 Ill. Adm. Code 1050], hereby issues this ORDER pursuant to the authority provided under Section 4-5 (h)(5) of the Act. The Department makes the following:

FINDINGS

1. That Sterling Financial Mortgage Corp. is an Illinois residential mortgage licensee holding license No. MB.0006945 (the “License”) and located at 10002 W. 190th Place, Mokena, Illinois 60448;
2. That on July 24, 2008, the Department received a referral from the United States Department of Housing and Urban Development (the “HUD Referral”) that Licensee and through its registered loan originator, Brad Salamon (“Salamon”) (Registration No.031.0001500), had been parties to the co-brokering of a Federal Housing Administration (“FHA”) loan for an Illinois residential property through which Melba Townsend (“Townsend”), a non-registered loan originator, and her company PH Mortgage Solutions (“PH”), an unlicensed mortgage company, were to receive compensation for origination activities on this loan;
3. That the HUD Referral further details that Salamon and through Licensee’s License, partnered or participated with another mortgage company, Resource Mortgage Group, Inc., an approved FHA lender, to close the transaction as both Licensee and PH were not approved FHA lenders;

4. That the HUD Referral contains evidence of a loan approval letter dated 10/30/2007 by Townsend under the name of Licensee, co-brokering contractual agreement dated 11/05/2007 between and signed by Townsend for PH and Salamon for Licensee, copy of the appraisal for the subject real property ordered by Licensee as of 3/4/2008 as well as HUD complaint and memorandum of conversation records for non-payment of co-broker fees to Townsend and PH;
5. That the Licensee and through its loan originator Salamon knew that HUD required the actual individuals and entities involved in the origination of an FHA loan to be properly registered and licensed with the Department, and that Licensee and Salamon's activities enabled and contributed to the origination of this FHA loan for which Townsend and PH were not properly registered and licensed with the Department; and
6. That on August 14, 2008, the Department sent a potential discipline letter to the Licensee by U.S. first class and registered mail, and received a written response via electronic mail on August 20, 2008; however, the Department has sufficient evidence of the violations of the Act and Rules cited herein.

CONCLUSIONS

BASED UPON THE ABOVE FINDINGS, THE DEPARTMENT IS OF THE OPINION AND CONCLUDES:

That notwithstanding notices and other efforts by the Department, Licensee violated Sections 1-3, 2-4 (j), (k), (t), and (z) and 7-1 of the Act and Section 1050.1030 of the Rules, and is in further violation of Sections 4-5(i) (11) and (17) of the Act.

ORDER

NOW THEREFORE IT IS HEREBY ORDERED:

1. That Sterling Financial Mortgage Corp., License No. MB.0006945 shall be and hereby is assessed a fine of \$5,000;
2. The fine in the amount of \$5,000 shall be due thirty (30) days after the effective date of this Order upon Sterling Financial Mortgage Corp., and
3. The fine in the amount of \$5,000 shall be paid by means of a certified check or money order made payable to the:

**Department of Financial and Professional Regulation
Division of Banking
ATTN: FISCAL DIVISION, 2ND FLOOR
320 W. Washington Street
Springfield, IL 62786**

ORDERED THIS 25TH DAY OF AUGUST, 2008

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

JORGE A. SOLIS
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 shall be filed within 10 days after the receipt of an administrative decision and, if so requested, 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.*].