

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:)
)
) No. 2009-MBR-214
TAYLOR, BEAN & WHITAKER MORTGAGE CORPORATION)
 License No. MB.0005493)
 315 N.E. 14th St.)
 Ocala, FL 34470)

ORDER ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having reviewed the activities of Taylor, Bean & Whitaker Mortgage Corporation (the “Licensee”) and documented violations of the Residential Mortgage License Act of 1987 (the “Act”) [205 ILCS 635], 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 Taylor, Bean & Whitaker Mortgage Corporation is an Illinois residential mortgage licensee holding license number MB.0005493 (the “License”) and located at 315 N.E. 14th St., Ocala, Florida 34470;
2. That on April 20 and 21, 2009, Licensee transmitted approximately 15,402 letters notifying borrowers pursuant to the Illinois Homeowner Protection Act (“IHPA”) [735 ILCS 5/15-1502.5] that their loans were more than 30 days past due and that it may be in the borrower’s best interest to seek approved housing counseling and advising of further rights under the IHPA;
3. That on April 27, 2009, the Department’s Call Center recorded over 700 telephone call complaints and inquiries to the Department’s Call Center in connection with Licensee transmitting said IHPA notices to borrowers who informed the Department that they no longer had loans with Licensee or were not delinquent in their loan payments to Licensee, and that the Department had logged a total of 926 such complaints and inquiries by May 7, 2009 (Licensee later documented about 2,200 calls to its call center relating to the same matter);
4. That commencing on April 27, 2009, the Department advised Licensee, through its General Counsel, of the high number of borrowers and their concerns in contacting the Department about the Licensee’s IHPA notice letters and requesting investigation and response as to Licensee’s resolution of the matter, and that on July 13, 2009, the Department made an additional request for an accounting from Licensee of its handling of Illinois consumers who

wrongly received IHPA notice letters, including documentation of samples of an “apology letter” sent to borrowers, list of borrowers receiving these letters, and telephone log of calls received by Licensee’s call center;

5. That on or around July 29, 2009, Licensee provided the requested documentation to the Department and the Department’s review of Licensee’s documentation revealed, among other things, that 15,402 individuals received the initial IHPA notice letters of 4/20/2009 and 4/21/2009 (which should have been sent to 1,594 individuals), that Licensee sent a “first apology” letter on 4/27/2009 to the 13,808 borrowers receiving this initial letter in error which Licensee attributed to a system error in generating the recipient list, and that subsequently it became necessary for Licensee to send a “second apology” letter on 4/30/2009 to individuals who received the “first apology” in error (due to an employee failing to use correct procedures to generate the “first apology” letters) and informing said individuals to disregard the initial letter and “first apology” and assuring them that their loans were still active with the Licensee; and
6. That the Department has reviewed Licensee’s activities cited herein and determined that Licensee’s course of conduct, negligence or incompetence in providing IHPA notices to borrowers, both in its initial and corrective notification, was not in compliance with the Act and resulted in consumer harm through misplaced confusion about borrower’s loan status and unnecessary use of borrowers’ and the Department’s efforts and resources to obtain correct information and an accounting from the Licensee.

CONCLUSIONS

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

That notwithstanding notices and other efforts by the Department, Licensee is in violation of Sections 2-4(r), (t), & (y) and 4-5 (i) (17) of the Act.

ORDER

NOW THEREFORE IT IS ORDERED:

1. That TAYLOR, BEAN & WHITAKER MORTGAGE CORPORATION, License No. MB.0005493, shall be and hereby is assessed a fine in the amount of \$20,000 for the violations cited herein;
2. The fine in the amount of \$20,000 shall be due thirty (30) days after the effective date of this Order upon TAYLOR, BEAN & WHITAKER MORTGAGE CORPORATION; and
3. The fine in the amount of \$20,000 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: MORTGAGE BANKING
320 West Washington, 6th Floor
Springfield, IL 62786**

ORDERED THIS 12th DAY OF AUGUST, 2009

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

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.*].