

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF)
)
) No. 2009-MBR-262
CHARTER MORTGAGE SERVICES, INC.)
License No. MB.0006429)
Attention: Thomas M. Skelton)
145 Covington Drive)
Bloomington, IL 60108)

ORDER ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (the “Department”), having reviewed and examined the activities of Charter Mortgage Services, Inc. (the “Licensee”) and 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 Charter Mortgage Services, Inc. is an Illinois residential mortgage licensee holding license number MB.0006429 (the “License”) and located at 145 Covington Drive, Bloomington, Illinois 60108;
2. That on October 28, 2008, the Department conducted an examination of Licensee for the period 8/1/2005 to 8/31/2008 and found numerous violations of the Act and Rules as cited in the Report of Examination (the “ROE”), and that the Licensee was assigned to Supervision for the ROE to make corrections and compliance with the Act and Rules;
3. That on May 19, 2009, the Department’s Supervision Section created an enforcement issue for Licensee due to the ROE evidencing per Licensee’s loan log that Tony Costabile (“Costabile” and not registered Loan Originator No. 031.0026358 until 2/10/2009) and Mena Zoellner (Zoellner”) originated approximately 159 Illinois residential mortgage loans without having loan originator registrations, and that two loan originators P. Porcelli and Erica Vargas failed to attain 6 hours of required continuing education for 2006;
4. That on June 26, 2009, the Department’s Legal Section mailed a Potential Discipline Letter to Licensee citing these violations and that on or around July 3, 2009, the Licensee provided a written response to the Department and providing explanation/documentation as to loan originator application history of Costabile, and Zoellner’s description as a loan processor, and on or around July 28, 2009 provided some additional and redacted documentation as to Zoellner’s compensation by Licensee;

5. That the Department reviewed the Licensee's responses as well as the probation order issued by the Department to Costabile on 2/9/2009, and determined that Licensee was in violation as to employment of Costabile as a loan originator prior to Costabile receiving his loan originator registration on 2/10/2009 and for employing Porcelli and Vargas during the entire calendar year 2006 without ensuring that they completed the required continuing education;
6. That the Department was unable to reach a regulatory determination that Zoellner's activities for Licensee were restricted to loan processing and distinct from loan originator activities and that on August 19, 2009 the Department made a further regulatory request by letter for Zoellner's employment agreement as well as complete compensation records to compare to Licensee's loan originators;
7. That the Department's regulatory request of August 19, 2009 was mailed by U.S. registered mail – return receipt requested and Licensee's owner Tom Skelton signed for receipt of the letter/regulatory request; and
8. That the Department has not received the required response from Licensee and Licensee is in further violation of Section 4-1(r) of the Act.

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(z), 4-1(r), and 7-1 of the Act, and Section 1050.2120 of the Rules, and is in further violation of Sections 4-5(i) (11) and (17) of the Act.

ORDER

NOW THEREFORE IT IS ORDERED:

1. That CHARTER MORTGAGE SERVICES, INC., License No. MB.0006429, shall be and hereby is assessed a fine in the amount of \$5,000 for the violations cited herein;
2. The fine in the amount of \$5,000 shall be due thirty (30) days after the effective date of this Order upon CHARTER MORTGAGE SERVICES, INC.; 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: MORTGAGE BANKING
320 West Washington, 6th Floor
Springfield, IL 62786**

ORDERED THIS 19TH DAY OF OCTOBER, 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.*].