STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF   )
)   No. 2011-MBR-100
ALLIED HOME MORTGAGE CORPORATION)
License No. MB.0006724   )
Attention: Anthony Johnson   )
6110 Pinemont Drive, Suite 220   )
Houston, TX 77092   )

ORDER SUSPENDING LICENSE & ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF BANKING ("Department"), having reviewed the activities of Allied Home Mortgage Corporation and documented violations of the Residential Mortgage License Act of 1987 ("Act") [205 ILCS 635] and rules promulgated thereunder ("Rules") [38 Ill. Adm. Code 1050], hereby issues this order for violations of the Act and Rules.

STATUTORY PROVISIONS

1. Section 2-4 provides that a licensee who fails to fulfill obligations of an averment, to comply with averments made, or otherwise violates any averments made under this Section shall be subject to the penalties in Section 4-5 of this Act.

2. Section 2-4(t) of the Act requires a licensee to aver with each application for license or renewal of license that it will comply with the provisions of this Act, or with any lawful order, rule or regulation made or issued under the provisions of this Act.

3. Section 3-1 of the Act requires each licensee to maintain a bond in the form of a surety in the amount and form prescribed by the Director of the Division of Banking ("Director"). A cancellation of a bond shall not become effective unless and until 30 days advance notice in writing been first given to the Director, or the Director approves the cancellation if earlier.

4. Section 4-5(h)(2) of the Act provides that when the Director finds any person in violation of the grounds set forth in subsection (i), the Director may enter an order imposing the penalty of suspension of license.

5. Section 4-5(h)(5) of the Act provides that when the Director finds any person in violation of the grounds set forth in subsection (i), the Director may enter an order imposing a fine not to exceed $25,000 for each count of separate offense.

6. Section 4-5(i)(11) of the Act provides that failure to comply with any order of the Director or rule made or issued under the provisions of this Act shall constitute grounds for disciplinary actions specified in Section 4-5(h) of the Act.

7. Section 4-5(i)(17) of the Act provides that failure to comply with or violation of any provision of this Act shall constitute grounds for disciplinary actions specified in Section 4-5(h) of the Act.

8. Section 1050.490 of the Rules requires each licensee to maintain a bond in conformance with Section 3-1 of the Act and prescribes the form and amount. The bond shall be concurrent with the term of the license.

FACTUAL FINDINGS

9. On November 7, 2011, the Department received written notice by Allied Home Mortgage Corporation's insurer ("Insurance Company A") that Allied Home Mortgage Corporation's surety bond ("Bond") on file with the Department would be cancelled effective December 7, 2011. Insurance Company A simultaneously provided a distribution copy of the written cancellation notice to Allied Home Mortgage Corporation.

10. The Director did not approve cancellation of the Bond and on December 8, 2011, the Department confirmed with Insurance Company A that the Bond was cancelled as of December 7, 2011.

11. Allied Home Mortgage Corporation renewed its License No. MB.0006724 ("License") for the term January 1, 2011 through December 31, 2011 by averring that it would comply with the provisions of this Act, or with any lawful order, rule or regulation made or issued under the provisions of this Act.

LEGAL CONCLUSIONS

12. Allied Home Mortgage Corporation has failed to maintain a valid surety bond at all times and is in violation of Sections 2-4(t), 3-1, and 4-5(i)(11) & (17) of the Act and Section 1050.490 of the Rules.

NOW THEREFORE IT IS HEREBY ORDERED THAT:

1. The License of Allied Home Mortgage Corporation is **SUSPENDED** pursuant to Section 4-5(h)(2) of the Act until such time that documentation is provided to the Department that the Bond is reactivated or a new surety bond is provided meeting the requirements of the Act and Rules.

2. The Department assesses a **FINE** against the License of Allied Home Mortgage Corporation pursuant to Section 4-5(h)(5) in the total amount of $15,000 (including a fine of $3,000 at a rate of $100 per day for the 30 days that Allied Home Mortgage Company

failed to act to achieve withdrawal of said Bond cancellation notice or submit to the Department a new surety bond and a fine of $12,000 for conducting licensable activities under the Act and Rules without a current surety bond). The fine in the total amount of $15,000 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: MORTGAGE BANKING
320 West Washington, 5th Floor
Springfield, IL 62786

ORDERED THIS 9TH DAY OF DECEMBER, 2011

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

DIVISION OF BANKING

_____
MANUEL FLORES, 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 and $500 hearing fee by certified check or money order shall be filed with the Department at 320 West Washington Street, 5th Floor, Springfield, IL 62786 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.*].