

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:)
)
HLMC MORTGAGE, INC.) No. 2011-MBR-18
Attention: Sawsan Haddad)
17600 Pulaski)
Country Club Hills, IL 60478)
License No. MB.6760252)

ORDER REFUSING TO RENEW & DENYING LICENSE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (“Department”), having reviewed the application of HLMC Mortgage, Inc. (“HLMC”) to renew its Illinois residential mortgage license number MB.6760252 (“License”) and having documented failure to comply with sections cited herein 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 refusing to renew and denying the License pursuant to the authority provided under Sections 2-5 and 4-5 of the Act. The Department makes the following:

FINDINGS

1. That HLMC has applied to the Department for renewal of the License for the period January 1, 2011 through December 31, 2011;
2. That the Department has reviewed the applicable provisions of the Act for renewal of the License as follows:
 - a. Section 2-5 of the Act states that the Commissioner shall refuse to license or renew a license if “(1) it is determined that the applicant is not in compliance with any provisions of the Act; or ... (3) the Commissioner cannot make findings specified in Section 2-2, subsection (a), of this Act [205 ILCS 635/2-2].”;
 - b. Section 2-2 (a) of the Act requires that “An investigation of the averments required by Section 2-4 [205 ILCS 635/2-4], which investigation must allow the Commissioner to issue positive findings stating that the financial responsibility, experience, character, and general fitness of the license applicant and ... of the officers and directors thereof if the license applicant is a corporation... are such as to command the confidence of the community and to warrant belief that the business will be operated honestly, fairly and efficiently within the purpose of this Act. If the Commissioner shall not so find, he or she shall not issue such license, and he or she shall notify the license applicant of the denial.”

- c. Section 4-5 (h)(6) of the Act authorizes the Department to deny a license when the Department finds pursuant to Act a failure to comply or violation of any provision of this Act (Act Section 4-5(i)(17)), or failure to comply with any rule issued under the provisions of this Act (Act Section 4-5(i)(11)); and
3. That as part of the Department's review of the License renewal application, the Department has reviewed the financial reporting and statements of HLMC and determined that HLMC has not shown the financial responsibility required by Section 2-2(a) of the Act and is not in compliance with the Act and Rules as hereinafter. These deficiencies include: 1) HLMC has provided financials in the name of HLMC Mortgage Corp. and not HLMC Mortgage, Inc., 2) HLMC has failed to provide a current certificate of authority from the Secretary of State and the Secretary of State lists HLMC's status as "dissolved", 3) HLMC failed to submit W2 or other documentation for payment to loan originators or payment of loan originator and instead submitted W2 income documentation to the owner of HLMC from an unlicensed entity, HLMC Realty Services, Inc., 4) HLMC has failed to provide proof that it filed tax returns for the past three years as required by Section 2-4(h) of the Act, including in the 2010 HLMC examination file only 2008 tax returns were provided, 5) HLMC did not provide a statement of cash flow with its 2010 financial statements, 6) accounts receivable listed in HLMC's 2010 financial statements contain funds from the sale of real estate property and rents, but HLMC has failed to provide sufficient details documenting these items, and 7) HLMC has failed to provide complete bank statements (beyond December 2009 and January 2010 statements) sufficient to allow the Department to verify what is shown on HLMC's balance sheet(s) and that HLMC maintained in its name the required net worth per Section 1050.410 of the Rules throughout each licensing year.

CONCLUSIONS

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

Notwithstanding notices and other efforts by the Department, HLMC has failed to comply with the standards for renewal of the License in violation of Sections 2-2(a), 2-4(h), 2-5, and 4-5(i)(11) & (17) of the Act.

ORDER

NOW THEREFORE IT IS HEREBY ORDERED that the Department refuses to renew and denies the license of HLMC, License No. MB.6760252 pursuant to Sections 2-5 and 4-5 of the Act for failure to comply with the provisions cited herein of the Act.

ORDERED THIS 18TH DAY OF JULY, 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 shall be filed 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.*].