

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF)
)
ENVOY MORTGAGE, LTD) No. 2012-MBR-16
ATTN: Maria Quinones)
5100 Westheimer, Suite 320)
Houston, TX 77056)
License No. MB.6759338)

ORDER ASSESSING FINE

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

STATUTORY PROVISIONS

1. Section 2-4(z) of the Act states that a licensee will not knowingly hire or employ a loan originator who is not registered, as required under Section 7-1 of this Act.
2. 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.
3. 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 in Section 4-5(h) of the Act.
4. Section 4-5(i)(17) of the Act provides that failure to comply with or violation of any provision of this Act.
5. Section 1050.1110 of the Rules states that before a mortgage loan applicant, also referred to in this Subpart as "borrower" or "customer", signs a completed residential mortgage loan application or gives the licensee any consideration, whichever comes first, the licensee shall give the customer a Borrower Information Document. The document may be incorporated into or appended to the material as is necessary for compliance with relative Federal requirements, including but not limited to Regulation Z (12 CFR 226).

6. Section 1050.2120(a) of the Rules states that each calendar year, a Loan Originator shall complete a minimum of 6 hours of continuing education in residential mortgage financing and related topics, as approved by the Director. The employing licensee shall be responsible for ensuring compliance with these requirements for each Loan Originator it employs.
7. Section 1050.2125(b)(5) of the Rules states that no licensee shall employ a person or entity to perform the duties of a Loan Originator, except a person with a current Loan Originator Certificate of Registration.

FACTUAL FINDINGS

8. That the Department's Supervision Section ("Supervision") had reviewed and examined the activities of the Licensee, and that the Department found violations of the Act and Rules in the Report of Examination ("ROE") of Licensee for the period 11/01/2008 to 09/30/2010 and as transmitted by the Department to Licensee on or around 04/18/2011. The ROE was referred to the Supervision Section which subsequently created an enforcement issue for violations of the Act and Rules hereinafter described.
9. The Department found that Licensee failed to comply with continuing education requirements for one (1) registered loan originator.
10. The Department found that Licensee failed to comply with loan originator registration requirements for five (5) individuals conducting loan originator activities without proper registration as follows: Joyce Hunter, Garrett Knox, Clifton Wilson, Mike West, and Wendy Witte.
11. The Department found that Licensee had repeat exam violations for Borrower Information Document (2009 exam found violations in 2 of 2 loan files, and 2011 exam found violations in 3 of 5 loans).
12. That on September 12, 2011, the Department's Legal Section mailed to Licensee via U.S. first-class and certified mail service a Potential Disciplinary Letter citing the aforementioned violations.
13. On September 22, 2011, the Department received a written response to the disciplinary letter from Licensee dated September 21, 2011.
14. The Department has determined that Licensee committed the aforementioned violations; however, Licensee's response and corrective actions and activities are considered herein in mitigation of the fine.

LEGAL CONCLUSIONS

15. That notwithstanding notices and other efforts by the Department, Licensee is in violation of Act Sections 2-4(z), 4-5(i)(11) & (17) of the Act and Rule Sections 1050.1110, 1050.2120(a) and 1050.2125(b)(5).

NOW IT IS HEREBY ORDERED THAT:

1. The Department assesses a **FINE** against Envoy Mortgage, Ltd., License No. MB.6759338 in the amount of **\$5,000** for violating cited sections herein of the Act and Rules as authorized by Section 4-5(h) (5) of the Act. The fine 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: FISCAL DIVISION
320 West Washington, 5th Floor
Springfield, IL 62786**

ORDERED THIS 18TH DAY OF JULY, 2012

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 (certified check/money order) shall be filed at 320 W. Washington, 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.].