

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF: )  
 )  
 ) No. 2023-MBR-01  
**REX HOME LOANS, LLC** )  
 )  
License No. MB. 6761468; NMLS 1698411 )  
Attention: Derek Latka, NMLS Primary Company Contact )  
3300 N Interstate Hwy 35, Suite 149 )  
Austin, TX 78705 )

**ORDER REVOKING LICENSE & ASSESSING FINE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF BANKING (“Department”), having reviewed the activities of **REX HOME LOANS, LLC** (“**REX HOME LOANS**”), 3300 N Interstate Hwy 35, Suite 149, Austin, TX 78705, and making findings under the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635], and the rules promulgated thereunder (“Rules”) [38 Ill. Adm. Code 1050], hereby issues this **ORDER REVOKING LICENSE & ASSESSING FINE**.

**STATUTORY PROVISIONS**

1. Section 2-4 of the Act requires applicants/licenseses to make certain averments to the Department, of which failure to fulfill the obligations of an averment shall subject the licensee to penalty, including the requirements to (d) file with the Department any required reports; and (t) comply with the Act and Rules.
2. Section 2-6 of the Act provides that an Illinois Residential Mortgage License shall be renewed on the common renewal date of the Nationwide Multistate Licensing System (“NMLS”) upon a licensee submitting a properly completed renewal application form. It is the responsibility of each licensee to timely accomplish renewal of its license. A licensee ceasing activities regulated by the Act and desiring to no longer be licensed must inform the Department in writing, convey the license, provide a plan for withdrawal from the regulated business, and comply with the Department’s surrender guidelines.
3. Section 3-2 of the Act requires a licensee to file its most recent audit report, or for a mortgage broker, unaudited financial statements, with the Director of the Department (“Director”) or NMLS within 90 days after the end of the licensee’s fiscal year.
4. Section 4-5 of the Act provides that when the Department finds any person in violation of the grounds set forth in subsection (i), the Department may enter an order revoking a license as authorized by subsection (h)(1). A licensee violates Section 4-5(i) of the Act due to (11) failure to comply with any order of the Director or rule made or issued under the provisions of this Act, (13) failure to pay in a timely manner any fee, charge or fine under this Act, and (17) failure to comply with or violation of any provision of the Act.

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 of up to \$25,000 for each count of a separate offense.
6. Section 4-8.3 of the Act requires that on or before March 1 of each year or the date selected for Mortgage Call Reports under Section 4-9.1 of this Act, each licensee shall file a report with the Secretary that discloses such information as the Secretary requires. A licensee filing a Mortgage Call Report is not required to file an annual report.
7. Section 1050.430 of the Rules provides that the failure to deliver audit reports within 90 days after the date specified in Section 3-2 of the Act, unless extended for cause by the Department, shall subject the licensee to payment of a fee at the rate of \$50 per calendar day for each day that such failure is continuing for up to three months.
8. Section 1050.1175 of the Rules requires a licensee engaged in loan brokerage or loan origination to maintain a loan log with required information for each residential mortgage loan application, including the name of the mortgage loan originator taking the loan application.

### **FACTUAL FINDINGS**

9. REX HOME LOANS is a residential mortgage broker holding Illinois Residential Mortgage License No. MB. 6761468 with an expiration date of December 31, 2022 (“License”).
10. On June 20, 2022, REX HOME LOANS filed a surrender of its License through the NMLS.
11. Although the surrender was filed, there were numerous License Items that needed to be addressed before the surrender could be approved and therefore completed. The License Items included a late audit fee and missing documents such as a loan log, audited financial statement for December 31, 2021, 2022-Q2 MCR, 2022-Q3, and MCR Standard Financial Condition for 2021.
12. On September 30, 2022, the Licensing Supervisor contacted REX HOME LOANS by both email and telephone regarding the outstanding license items. There was no response to the email or telephone call.
13. On October 12, 2022, when the License Items were still not received by the Department, a Rule to Show Cause was emailed to the Primary Company Contact. The Rule to Show Cause gave REX HOME LOANS an opportunity, with a deadline of October 26, 2022, to remedy the License Items and follow the Surrender Guidelines before the Department moved forward with a revocation order. This email was returned as “Undeliverable”. On the same day, the Rule to Show Cause was then emailed to two other listed control persons and qualifying individuals.
14. REX HOME LOANS, as of today, has never responded to the Rule to Show Cause or submitted the missing License Items to the Department.
15. From November 1, 2022 through December 31, 2022, the NMLS window was open for licensees to apply to renew their licenses for calendar year 2023. REX HOME LOANS did not apply to renew its License during the aforementioned time.

**LEGAL CONCLUSION**

16. The Department finds that REX HOME LOANS failed to apply for renewal or properly surrender its License as required by the Act.
17. REX HOME LOANS is in violation of Sections 2-4(d) &(t), 2-6, 3-2, 4-5(i)(11), (13), & (17) and 4-8.3 of the Act and Sections 1050.430 and 1050.1175 of the Rules.

**NOW IT IS HEREBY ORDERED THAT,**

1. The Department **REVOKES** REX HOME LOANS' Illinois Residential Mortgage License No. MB.6761468 pursuant to Section 4-5(h) (1) of the Act.
2. The Department assesses a FINE against REX HOME LOANS in the amount of \$4,500 pursuant to Section 4-5(h)(5) of the Act for violation of the aforementioned Act and Rules sections. 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  
Attention: FISCAL DIVISION  
320 W. Washington, 5<sup>th</sup> Floor  
Springfield, Illinois, 62786**

ORDERED THIS 17 DAY OF January 2023

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
DIVISION OF BANKING

[REDACTED]

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CHASSE REHWINKEL  
DIRECTOR

**You are hereby notified that this Order is an administrative decision. Pursuant to Section 4-12 of the Illinois Residential Mortgage License Act [205 ILCS 635/4-12] and the rules promulgated thereunder on Hearings Before the Division of Banking and Division of Financial Institutions [38 Ill. Adm. Code 100.5 *et seq.*], an affected party may file a petition for a hearing on an administrative decision by the Director. The petition for a hearing must be filed within 10 days after service of this Order by mail to the Department at 555 W. Monroe St., Suite 500, Chicago, IL 60201, Attn: Angela Alexandrakis with an electronic copy by email to Angela.Alexandrakis@illinois.gov. The petition for hearing must be in writing and set forth the petitioner's license number, docket number of the administrative decision that resulted in discipline, and date of the administrative decision, pursuant to 38 Ill. Adm. Code 100.30(c). Each party that requests a hearing shall pay a \$500 nonrefundable fee to the Department in accordance with 38 Ill. Adm. Code 100.20. After receipt of a properly completed and timely petition for hearing, a case will be docketed and notice sent to the petitioner setting forth the date, time, and place of the hearing. Absent a petition for a hearing, this Order shall constitute a final administrative decision subject to the Administrative Review Law [735 ILCS 5/3-101 *et seq.*].**