

estate salesperson (476.0352871). At the time of the application, Todorova's loan originator registration was inoperative due to lack of a sponsor;

4. That on or about July 25, 2006, Licensee accepted another Form 1003 application for a mortgage loan for the purchase ORP Unit 922 which also stated the interviewer to be Todorova. The borrower was Todorova's daughter;
5. That Todorova's loan originator registration was not transferred to Licensee until October 16, 2006;
6. That the investigation revealed that Licensee originated loans on other ORP units, including Unit 800, Unit 901, and Unit 1201. All of these units were sold by Todorova in her capacity as a real estate salesperson and all, in addition to Unit 821, are currently in foreclosure;
7. The investigation further revealed various issues in the files stated above, including
 - a. Falsified employment and income information. No file contained any income tax returns, pay stubs or W-2 forms for any borrower despite the fact that all the loans were structured as a first loan for 80% loan to value ("LTV") and a second loan at 20% LTV, thus resulting in a total loan of 100% LTV. In the file for Unit 1201, the Verification of Employment came from a different company than the one stated by the borrower on the Form 1003;
 - b. Buyers of multiple units stated the each one would be their principal residence. In some cases, ownership of multiple units was not disclosed on the Form 1003 or elsewhere;
 - c. The use of fraudulent and inflated appraisals to support the sale prices and loan amounts. Some of these units were used as comparables for the appraisals of later units, thus perpetuating the inflated values and creating a closed circuit of comparables which were used to aid and abet the aforementioned flipping scheme;
8. That Licensee was either negligent or incompetent in accepting loan applications from a loan originator who was not sponsored or supervised by the licensee; and
9. That Licensee was either negligent or incompetent in that it failed to properly supervise and control its loan originators and was unaware of the falsified information and the practices of the loan originators or, in the alternative, knowingly allowed the loan applications to proceed in any event, effectively approving such practices.

CONCLUSIONS

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

1. That Licensee has demonstrated, by its course of conduct, negligence or incompetence in performing acts for which it is required to hold a license under the Act, in violation of Sec. 2-4(r);

2. That Licensee has failed to exercise supervision and control over one or more of its loan originators, with the result that Licensee has engaged in fraudulent home mortgage underwriting practices in violation of Sec. 2-4(f) of the Act; and
3. That Licensee has engaged in fraud, misrepresentation, deceit or negligence in a mortgage financing transaction as set forth in Sec. 4-5(i)(2) of the Act.

ORDER

NOW THEREFORE IT IS HEREBY ORDERED:


1. That First Magnus Financial Corporation dba Charter Funding, License No. MB.0006100, shall be and hereby is assessed a fine of \$10,000 for all violations.
2. The total fine in the amount of \$10,000 shall be due thirty (30) days after the effective date of this Order upon Envision Mortgage Solutions, Inc.
3. The fine in the amount of \$10,000 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: FISCAL DIVISION, 2ND FLOOR
320 W. Washington Street
Springfield, IL 62786**

ORDERED THIS 7th DAY OF August, 2007

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DEAN MARTINEZ, SECRETARY

DIVISION OF BANKING
JORGE A. SOLIS, DIRECTOR


REYNOLD M. BENJAMIN
Assistant Director, Division of Banking

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.*].