

**STATE OF ILLINOIS**

**DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION**

**DIVISION OF BANKING**

IN THE MATTER OF:

**RONALD E. REED**

IL License No. 031.0009889; NMLS No. 228007

16937 Glen Oaks Dr.

Country Club Hills, Illinois 60478

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No. 2015-MLO-01

**ORDER REVOKING  
MORTGAGE LOAN ORIGINATOR LICENSE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF BANKING (“Department”), having received a complaint regarding RONALD E. REED (“REED”), 16937 Glen Oaks Dr., Country Club Hills, Illinois 60478, and finding violations of the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635/1 *et seq.*] and the rules promulgated thereunder [38 Ill. Adm. Code 1050] (“Rules”), hereby issues this **ORDER REVOKING MORTGAGE LOAN ORIGINATOR LICENSE**.

**STATUTORY PROVISIONS**

1. Section 7-11 of the Act authorizes the Director of the Department (“Director”) to revoke and/or fine, or otherwise discipline, the license of a mortgage loan originator (“MLO”) if the Director finds that the MLO has violated the Act or any other applicable law or regulation. The Act authorizes the imposition of fines up to \$1,000 for each day for each violation of the Act or other applicable law or regulation that is committed, and \$3,000 for each day for each violation for engaging in an activity prohibited by section 7-13(1) of the Act. Such fines may be doubled for repeat violations.
2. Section 7-13(1) of the Act provides a list of prohibited acts and practices for MLOs, including employing a scheme to defraud or mislead borrowers. Additionally Section 7-13 also provides that MLOs are prohibited from engaging in any unfair or deceptive practice; obtaining property by fraud or misrepresentation; violating any rules and regulations; prohibited from making any false or deceptive statement or representations of a material fact or an omission of material fact, required on any document or application subject to this Act; prohibited from failing to truthfully account for monies belonging to a party to a residential mortgage loan transaction and engaging in conduct that constitutes dishonest dealings.

### **FACTUAL FINDINGS**

1. The Department received a self-reporting complaint from the Company that sponsored REED (“Company”) that REED was involved in a fraud scheme against consumers and itself.
2. The complaint alleged that Consumer 1 requested the status of its loan application from the Company. The Company searched and found no such application for this individual.
3. Consumer 1 explained to the Company that it had given REED a check for \$475 for an appraisal. The company found no records of the check being deposited and requested Consumer 1 provide the Company a copy of the canceled check.
4. The Consumer brought in the requested canceled check which was endorsed with the Company’s name with REED’s name signed underneath.
5. The Company found Consumer 2 had also given REED a check for \$475 for an appraisal. The canceled check also was endorsed with the Company’s name with REED’s name underneath.
6. In addition, the Company found that REED took a \$2,000 cash deposit from Consumer 3 which REED told was for a processing fee. This money was never deposited with the Company and was against Company policy to accept cash.
7. The Company terminated REED’s employment.

### **LEGAL CONCLUSION**

8. REED was involved in a fraudulent scheme in which he convinced consumers to write checks to the Company and hand him money by misrepresenting that it was part of the process to obtain a loan when in fact REED was depositing the money in his personal account for gain in violation of Sections 7-13(1),(2),(3),(8),(9),(14), and (15).

### **NOW IT IS HEREBY ORDERED THAT,**

1. The Department **REVOKES** RONALD E. REED’S Mortgage Loan Originator License No. 031.0009889 pursuant to Section 7-11 of the Act.

ORDERED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2015

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
DIVISION OF BANKING

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SHEILA SAEGH HENRETTA  
ACTING 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 affected party may file a request for a hearing on a decision by the Director. The request for a hearing must be filed with the Department at 320 West Washington Street, 5th Floor, Springfield, IL 62786 within 10 days after the appealing party's receipt of this Order; a \$250 hearing fee payable to the Department by cashier's check or money order must be filed with the hearing request. The request for hearing must include an explicit admission, denial, or appropriate response to each allegation or issue contained in this Order pursuant to 38 Ill. Adm. Code 1050.1570. After receipt of a proper and timely request for hearing, 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].**

State of Illinois (   
 ( ss:   
County of Cook (

The undersigned, being duly sworn on oath, states that on \_\_\_\_/\_\_\_\_/\_\_\_\_, I mailed with sufficient postage affixed, a copy of the foregoing **ORDER REVOKING MORTGAGE LOAN ORIGINATOR LICENSE** by regular and certified mail, return receipt requested at 100 W. Randolph St., Chicago, Illinois 60601, to the address of Respondent registered with IDFPR Division of Banking listed below:

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AFFIANT

Subscribed and sworn to before me,

this \_\_\_\_ day of \_\_\_\_\_, 2015

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NOTARY PUBLIC

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Sent to:

**RONALD E. REED**  
IL License No. 031.0009889; NMLS No. 228007  
16937 Glen Oaks Dr.  
Country Club Hills, Illinois 60478