

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:)
) No. 2013-MLO-CD-13
GERARDO HERNANDEZ)
4156 South Maplewood)
Chicago, IL 60632)

**ORDER TO CEASE AND DESIST
FROM UNLAWFUL RESIDENTIAL MORTGAGE ACTIVITIES & ASSESSING FINE**

NOW COMES the DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (“Department”), having conducted an investigation of GERARDO HERNANDEZ (“G. HERNANDEZ) in connection with his residential mortgage activities with NEW HOPE CONSULTING A/K/A NEW HOPE CONSULTING, INC. (“New Hope Consulting”), 180 N. LaSalle Street, Suite 3700, Chicago, IL 60601 and having found violations of the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635], hereby issues this ORDER TO CEASE AND DESIST FROM UNLAWFUL RESIDENTIAL MORTGAGE ACTIVITIES AND ASSESSING FINE.

STATUTORY PROVISIONS

1. Section 1-3(a) of the Act states in relevant part: No person, partnership, association, corporation or other entity shall engage in the business of brokering, funding, originating, servicing or purchasing of residential mortgage loans without first obtaining a license from the Secretary in accordance with the licensing procedure provided in this Article I and such regulations as may be promulgated by the Secretary.
2. Section 1-3(b) of the Act provides that no person, partnership, association, corporation, or other entity except a licensee under the Act or an entity exempt from licensure shall do any business under any name title, or circulate or use any advertising or make any representation nor give any information to any person, which indicates or reasonably implies activity within the scope of the Act.
3. Section 1-3(d-1) of the Act provides that the Secretary may issue orders against any person if the Secretary has reasonable cause to believe that an unsafe, unsound, or unlawful practice has occurred, is occurring, or is about to occur, if any person has violated, is violating, or is about to violate any law, rule, or written agreement with the Secretary, or for the purposes of administering the provisions of this Act and any rule adopted in accordance with this Act.

4. Section 1-3(e) of the Act provides that any person, partnership, association, corporation or other entity who violates any provision of this Section commits a business offense and shall be fined an amount not to exceed \$25,000.
5. Section 1-4(jj) of the Act defines the “mortgage loan originator” as an individual who for compensation or gain or in the expectation of compensation or gain (i) takes a residential mortgage loan application, or (ii) offers or negotiates terms of a residential mortgage loan. Included in the definition are individuals who participate in residential mortgage loan modification activities.
6. Section 1-4(yy) of the Act defines “loan modification” to mean for compensation or gain, either directly or indirectly offering or negotiating on behalf of a borrower or homeowner to adjust the terms of a residential mortgage loan in a manner not provided for in the original or previously modified loan.
7. Section 7-1A of the Act states, in part, it is unlawful for any individual to act or assume to act as a mortgage loan originator, as defined in subsection (jj) of Section 1-4 of the Act, without obtaining a license from the Department.
8. Section 7-13 of the Act provides a list of prohibited acts and practices for mortgage loan originators, including conducting any business covered by this Act without holding a valid license as required under this Act.

FACTUAL FINDINGS

9. G. HERNANDEZ formerly held a Certificate of Registration No. 031.0007041 for the period of August 4, 2005 to December 31, 2010.
10. On August 16, 2013, the Department received a complaint alleging that an unlicensed entity New Hope Consulting was engaging in licensable activities – specifically, loan modifications – without possessing an Illinois Residential Mortgage License. The Department’s records confirm that New Hope Consulting has never filed an application with or been issued a license by the Department to conduct activities subject to the Act.
11. The Department’s investigation found that G. HERNANDEZ performed a licensable activity – negotiating loan modifications with lenders on behalf of New Hope Consulting’s clients – without being licensed as an Illinois mortgage loan originator.

LEGAL CONCLUSIONS

BASED UPON THE ABOVE FACTUAL FINDINGS, THE DEPARTMENT CONCLUDES:

12. GERARDO HERNANDEZ is in violation of Sections 1-3(a) & (b) and 7-13(6) of the Act.

NOW IT IS HEREBY ORDERED THAT,

1. GERARDO HERNANDEZ shall **CEASE AND DESIST** pursuant 1-3(d-1) from soliciting or offering to modify residential mortgage loans, and engaging in any other licensable activities under the Act.
2. GERARDO HERNANDEZ shall pay a **FINE** in the amount of \$25,000 as authorized under 1-3(e) 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
Attention: Loan Originator Section
320 W. Washington, 5th Floor
Springfield, Illinois 62786.**

ORDERED THIS ____ DAY OF _____, 2013

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
MANUEL FLORES, ACTING SECRETARY

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 and \$250 hearing fee by certified check or money order shall be filed with the Department at 320 West Washington Street, 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].

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 TO CEASE AND DESIST FROM UNLAWFUL RESIDENTIAL MORTGAGE ACTIVITIES AND ASSESSING FINE** by U.S. first class and certified mail at 100 W. Randolph St., 9th Floor, Chicago, Illinois 60601, to the names/addresses listed below:

AFFIANT

Subscribed and sworn to before me,

this ____ day of _____, 2013

NOTARY PUBLIC

Send to:

Gerardo Hernandez
4156 South Maplewood
Chicago, IL 60632

SERIAL #