

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:

JOSHUA D. PHELPS

1307 Rachael Lane
Waterloo, Illinois 62298

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No. 2009-LO-76

**ORDER ASSESSING FINE AND IMPOSING SUSPENSION ON
LOAN ORIGINATOR REGISTRATION**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking, (the “Department”), having conducted an investigation of the facts related to registered Loan Originator Joshua D. Phelps, (the “Registrant”), 1307 Rachael Lane, Waterloo, Illinois 62298, and having found that the Registrant has committed violations cited herein of the Residential Mortgage License Act of 1987 (the “Act”) [205 ILCS 635], and of the rules promulgated under the Act (the “Rules”) [38 Ill. Adm. Code 1050], hereby issues this Order pursuant to the authority provided under Section 7-1 of the Act and Sections 1050.2170(a)(1)&(2) of the Rules. The Department makes the following findings:

FINDINGS

1. That Registrant is an Illinois Loan Originator Registrant holding certificate of registration No. 031.0003488 and having the address of 1307 Rachael Lane, Waterloo, Illinois 62298;
2. That the Department became aware of a complaint against Superior Home Loans (License No. MB. 0006048, “Superior”) for engaging in co-brokering of Illinois residential mortgage loans. Attached to the complaint was a copy of an email co-brokering solicitation sent by Mark Dill (the “Dill email”) working for Superior to numerous licensees and unlicensed entities and both registered and unregistered loan originators;
3. That the Dill email specifically detailed how the co-brokering would work. The instructions included the following: the prepared loan documents should be sent to Superior and in turn Superior would submit the loan documents to the lender; RESPA should be under the name Superior and Registrant should be listed as the loan originator; and that there will be further instruction how to handle loan stipulations involving contact with the borrower. The Dill email implied that the purpose of the co-brokering was to protect their licenses and wanted the activities to begin effective January 14, 2008;

4. That Registrant allowed his name and registration number to be used as loan originator on at least nine applications stemming from the above referenced email, despite the fact that the loans were originated by others who were viewed as unqualified to do Illinois loans because his company did not sponsor them and/or they were unregistered; and
5. That Registrant knew or should have known by allowing loans to be originated with Registrant's number without Registrant actually working on the loan file was not only a misrepresentation to the consumer and lender it also put the consumer at risk by having someone else who was unqualified to be a loan originator handling the loan files. Additionally, these actions facilitated the illegal act of co-brokering promoted in the Dill email. These misrepresentations and dishonest dealings are in violation of the Act and the Rules.

CONCLUSIONS

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

Registrant's activities under Certificate of Registration No. 031.0003488 as cited herein warrant a fine and suspension pursuant to Rules Sections 1050.2165(b)(c) and (e).

ORDER

NOW THEREFORE IT IS HEREBY ORDERED:

1. That Joshua D. Phelps's registration shall be suspended for a period of one hundred and eighty (180) days following the execution of this order pursuant to Rule section 1050.2170 (a)(1).
2. That Joshua D. Phelps, Certificate of Registration No. 031.0003488 shall be and hereby is assessed a fine of \$10,000 for violating the Act and Rules cited herein pursuant to Rule section 1050.2170(a)(2);
3. The total fine in the amount of \$10,000 shall be due thirty (30) days after the effective date of this Order; and
4. 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: Loan Originator Section
320 W. Washington
Springfield, Illinois, 62786**

ORDERED THIS ____ DAY OF _____, 2009

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
BRENT E. ADAMS, SECRETARY

DIVISION OF BANKING

JORGE A. SOLIS, 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. You have the opportunity to request a hearing regarding this matter for a fee of \$250 plus the transcript fee pursuant to 38 Ill. Adm. Code 1050.2175. The request for a hearing shall be filed within 10 days after the receipt of an administrative decision. A hearing shall be held by the Department of Financial and Professional Regulation, Division of Banking on the administrative decision. Absent a request for a hearing, this Order shall constitute a final administrative decision subject to the Administrative Review Law [735 ICLS 5/3-101 *et seq.*]

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 ASSESSING FINE AND IMPOSING SUSPENSION ON LOAN ORIGINATOR REGISTRATION** by regular and certified mail, return receipt requested at 122 S. Michigan Avenue, Suite 1900, Chicago, Illinois 60603, to the address of Registrant's Licensee registered with IDFPR Division of Banking listed below:

JOSHUA D. PHELPS
1307 Rachael Lane
Waterloo, Illinois 62298

AFFIANT

Subscribed and sworn to before me,
this ____ day of _____, 2009

NOTARY PUBLIC
