

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:)
)
REGINA KH LEE)
IL License No. 031.0054603; NMLS ID No. 1165370) No. 2019-MLO-06
)
)

**ORDER REFUSE TO RENEW
MORTGAGE LOAN ORIGINATOR LICENSE**

THE DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF BANKING (“Department”), having been made aware of **REGINA KH LEE’S (“LEE”)** violations of the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635] and rules promulgated thereunder (“Rules”) [38 Ill. Adm. Code 1050], hereby issues this **ORDER REFUSE TO RENEW MORTGAGE LOAN ORIGINATOR LICENSE**.

STATUTORY PROVISIONS

1. Section 7-3(3) of the Act states that to be issued a license an applicant must have demonstrated financial responsibility, character, and general fitness so as to command the confidence of the community and to warrant a determination that the mortgage loan originator (“MLO”) will operate honestly, fairly, and efficiently within the purpose of this Act.
2. Section 7-6 of the Act states that under the standards for license renewal the mortgage loan originator continues to meet the minimum standards for license issuance under Section 7-3.
3. Section 7-11 of the Act authorizes the Director to refuse to renew, or otherwise discipline, the license of a MLO if the Director finds that the MLO has violated the Act or any other applicable law or regulation.
4. Section 7-13 of the Act provides that it is a violation of the Act for a MLO to: Subsection (7) Fail to make disclosures as required by this Act and any other applicable State or federal law, including regulations thereunder; Subsection (10) Negligently make any false statement or knowingly and willfully make any omission of material fact in connection with any information or report filed with a governmental agency or the Nationwide Mortgage Licensing System and Registry (“NMLS”) or in connection with any investigation conducted by the Director or another governmental agency.

FACTUAL FINDINGS

5. LEE is a MLO holding License No. 031.0054603.
6. LEE applied for her MLO license with the Department on October 2, 2018.

7. As part of LEE'S MLO license application, LEE was required to disclose if she had ever been discharged after allegations were made that accused her of violating statute(s), regulation(s), rule(s), or industry standards of conduct.
8. LEE answered "no" to all the disclosure questions.
9. LEE was issued a MLO license on October 10, 2018.
10. On June 26, 2019, the Department became aware of an adverse action taken by California. California reported through the NMLS that the California Department of Business and Oversight ("California DBO") denied LEE'S application for California DBO MLO License on June 24, 2019 ("California Denial"). LEE disclosed the denial through NMLS on July 1, 2019.
11. The California Denial was issued by California DBO due to LEE's failure to disclose to the California DBO that she was discharged from her employment at a bank (the "Bank"), which was discovered through the California DBO's examination.
12. LEE was discharged by the Bank in July 2014 for dishonest behavior in violation of Bank's policies and standard of conduct, including for opening consumer checking accounts and saving accounts for family members who were not present so that LEE could receive sales credit and for using her mother's debit card at an ATM machine while her mother was not present.
13. Through the California Denial, the Department became aware that LEE had not disclosed the discharge through the application process to obtain an Illinois MLO license.

LEGAL CONCLUSION

14. LEE failed to make disclosures as required by the Act and the Rules and negligently made a false statement on her application in which she failed to disclose her termination from a former employer, which, if disclosed, may have resulted in a denial of her MLO license in violation of Section 7-13, Subsections (7) and (10), and no longer meets the standards to be an MLO pursuant to Section 7-3, Subsection (3).

NOW IT IS HEREBY ORDERED THAT,

The Department **REFUSES TO RENEW** REGINA KH LEE'S Mortgage Loan Originator License No. 031.0054603 pursuant to Section 7-11 of the Act.

ORDERED THIS ____ DAY OF _____, 2019

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF BANKING

CHASSE REHWINKEL
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 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, ATTN: Loan Originator Section 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 et seq.].