

**STATE OF ILLINOIS**

**DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION**

**DIVISION OF BANKING**

IN THE MATTER OF:

**JESUS MENDOZA**  
IL Registration No. 031.0011238  
5531 W. Cermak Road  
Cicero, Illinois 60804

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) No. 2013-MLO-CD-05  
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**ORDER REVOKING  
LOAN ORIGINATOR CERTIFICATE OF REGISTRATION AND ASSESSING FINE**

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (“Department”), having conducted an investigation of JESUS MENDOZA (“MENDOZA”) in connection with his residential mortgage activities with his unlicensed company Jesus Mendoza, LLC/JM Financial Services (“Jesus Mendoza, LLC”), 5531 W. Cermak Road, Cicero, Illinois 60804, and found violations of the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635], the rules promulgated under the Act (“Rules”) [38 Ill. Adm. Code 1050], and the Mortgage Rescue Fraud Act (“MRFA”) [765 ILCS 940] the Secretary hereby issues this ORDER TO REVOKE LOAN ORIGINATOR CERTIFICATE OF REGISTRATION AND ASSESSING FINE.

**STATUTORY PROVISIONS**

1. Section 1-4(jj) 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. A mortgage loan originator engaged in loan modification activities shall report those activities to the Department in the manner provided by the Department.
2. Section 1-4(yy) 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.
3. Section 7-1 of the Act states that it is unlawful for any natural person to act or assume to act as a loan originator (“LO”), as defined in subsection (hh) of Section 1-4, without being registered in the State of Illinois.

4. 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.
5. Section 7-11 of the Act authorizes the Department to revoke and/or fine, or otherwise discipline, the license of a Mortgage Loan Originator if the Secretary finds that the Mortgage Loan Originator has violated this Act or any other applicable law or regulation. A maximum fine is authorized of \$1,000 for each day for each violation of this Act or other applicable law or regulation that is committed, \$3,000 for each day for each violation for engaging in 7-13(1) and \$2,000 for repeat violations.
6. Section 7-13 of the Act prohibits certain acts and practices by mortgage loan originators (“MLO”) including employing a scheme to defraud or mislead borrowers, engaging in any unfair or deceptive practice, obtaining property by fraud or misrepresentation, conducting any business covered by this Act without holding a valid license. MLOs are prohibited from collecting or charging advance fees for loan modifications. MLOs are prohibited from violating State law.
7. Section 1050.2165 of the Rules requires each Loan Originator (“LO”) applicant to aver not to engage in certain acts and practices that are false or misleading.
8. Section 1050.2170(a) of the Rules gives the Secretary the authority to revoke and fine a loan originator for violating the Act or any applicable law or regulation that is committed. If the loan originator engages in a pattern of repeated violations the Secretary may impose a fine of not more than \$2,000 for each day for each violation committed.
9. The Mortgage Rescue Fraud Act (“MRFA”) [765 ILCS 940] requires any person who, directly or indirectly, for compensation from a distressed owner, makes any solicitation, representation, or offer to perform loan modification activities to provide distressed owners statutorily defined contract terms and notice rights and refrain from taking an interest in the distressed owner’s home or securing advance payments prior to performing the contracted for service.

### **FACTUAL FINDINGS**

10. MENDOZA is not licensed by the Department to act as a mortgage loan originator.
11. MENDOZA formerly held Illinois Loan Originator Registration No. 031.0011238 for the period of October 11, 2005 to June 30, 2007.
12. Jesus Mendoza LLC, which is owned by MENDOZA, is not licensed, and at no time has been licensed, by the Department to act as a residential mortgage licensee.
13. Borrower V.A. (“V.A.”) filed a complaint that was received by the Department on August 13, 2012 against MENDOZA and Jesus Mendoza LLC for failure to provide any loan modification services for the money V.A paid.

14. V.A.'s complaint alleges MENDOZA had informed V.A. that through MENDOZA'S company, Jesus Mendoza LLC, MENDOZA could assist V.A. in obtaining a loan modification for three of V.A.'s properties for a \$750 up-front down payment fee.
15. V.A. provided the Investigator with business cards he received from MENDOZA indicating that loan modification services were available.
16. According to V.A., V.A. was told by MENDOZA to write the check in the amount of \$750.00 for the loan modifications to Lorena Salgado who purportedly worked for MENDOZA. Said check was written by V.A. through his Chase account on August 4, 2009 with the word "Modification" on the memo line.

## LEGAL CONCLUSIONS

### COUNT I

17. MENDOZA, without a current MLO license solicited, advertised and offered loan modification services. MENDOZA is in violation of Sections 7-13 (2), (3), (6), (9) and (15) of the Act and 1050.2165 (b), (c) and (e) of the Rules.

### COUNT II

18. MENDOZA accepted an upfront payment for loan modification services he failed to perform. MENDOZA is in violation of Sections 7-13 (1), (8) (for having violated Section 50(a)(1) of the MRFA), and (12) of the Act.

## NOW IT IS HEREBY ORDERED THAT,

1. The Department **REVOKES** JESUS MENDOZA'S Loan Originator Certificate of Registration No. 031.0011238 pursuant to Section 7-11 of the Act and Section 1050.2170 (a)(1) of the Rules.
2. The Department assesses a **FINE** against JESUS MENDOZA in the amount of \$13,000 (\$1,000 per citation in Counts I and II except \$3,000 for violation of 7-13(1)) pursuant to Section 7-11 of the Act and Section 1050.2170 (a)(2) of the Rules. 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**  
**ATTN: Loan Originator Section**  
**320 W. Washington, 5<sup>th</sup> Floor**  
**Springfield, Illinois, 62786**

ORDERED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2013

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

DIVISION OF BANKING

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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, 5<sup>th</sup> 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.*].

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 LOAN ORIGINATOR CERTIFICATE OF REGISTRATION AND ASSESSING FINE by regular and certified mail, return receipt requested at 100 W. Randolph St., 9th Floor, Chicago, Illinois 60601, to the name and address listed below:

\_\_\_\_\_
AFFIANT

Subscribed and sworn to before me,
this \_\_\_ day of \_\_\_\_\_, 2013

\_\_\_\_\_
NOTARY PUBLIC
\_\_\_\_\_

Sent to:

JESUS MENDOZA
IL Registration No. 031.0011238
5531 W. Cermak Road
Cicero, Illinois 60804