

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Before the Director of the Department of Insurance and Financial Services

In the matter of:

21st Mortgage Corporation
License No. FL-1143
Registration No. SR-0018609

Enforcement Case No. 14-12233

Respondent.
_____ /

Issued and entered,
this 6th day of May, 2015,
By Rhonda J. Fossitt,
Senior Deputy Director

**ORDER REQUIRING COMPLIANCE
AND THE PAYMENT OF CIVIL FINES**

Based upon the Stipulation to Entry of Order, incorporated herein, and the files and records of the Department of Insurance and Financial Services (DIFS) in this matter, the Senior Deputy Director FINDS and CONCLUDES that:

1. The Senior Deputy Director has jurisdiction and authority to adopt and issue this Order Requiring Compliance and the Payment of Civil Fines in this proceeding, pursuant to the Michigan Administrative Procedures Act of 1969 (APA), as amended, MCL 24.201 *et seq.*, and Secondary Mortgage Loan Act (SMLA), 1981 PA 125, as amended, MCL 493.51 *et seq.*
2. All required notices have been issued in this case and the notices and service thereof were appropriate and lawful in all respects.
3. Acceptance of the Respondent's Stipulation to Entry of Order is reasonable and in the public interest.
4. All applicable provisions of the APA have been met.
5. Respondent violated MCL 493.52 by servicing mortgage loans in the state of Michigan without a registration to conduct such activities in this state.

NOW, THEREFORE, based upon the Stipulation to Entry of Order and the facts surrounding this case, **IT IS ORDERED THAT:**

1. The Stipulation to Entry of Order submitted by Respondent to the Senior Deputy Director, incorporated herein by reference and made a part of this Order, is hereby ACCEPTED.
2. Respondent agrees that it will pay to the state of Michigan, through DIFS, civil fines in the amount **\$3,000 and secondary mortgage licensing fees in the amount \$5,531**. The fines and fees shall be paid in accordance with the attached Stipulation to Entry of Order Requiring Compliance and the Payment of Civil Fines.
3. The Director specifically retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as she shall deem just, necessary and appropriate in accordance with the provisions of the SMLA. Failure to abide by the terms and conditions of the Stipulation to Entry of Order and this Order may result in the commencement of additional proceedings.

IT IS SO ORDERED.


Rhonda J. Fossitt,
Senior Deputy Director

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STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES **DIFS/OGC**

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In the matter of:

21st Mortgage Corporation
License No. FL-1143
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STIPULATION TO ENTRY OF ORDER
REQUIRING COMPLIANCE AND THE PAYMENT OF CIVIL FINES

21st Mortgage Corporation (Respondent) hereby stipulates and agrees to the following:

1. Pursuant to Executive Order 2013-1, all authority, powers, duties, functions, and responsibilities of the Commissioner of the Office of Financial and Insurance Regulation (Commissioner) have been transferred to the Director of the Department of Insurance and Financial Services (Director).
2. The Department of Insurance and Financial Services (DIFS) staff (Staff) conducted an examination of Respondent's books and records commencing on February 13, 2013, pursuant to Section 11(2)(c) of the Mortgage Brokers, Lenders, and Servicers Licensing Act (MBLSLA), MCL 445.1661(2)(c), and Section 6b(2)(b) of the Secondary Mortgage Loan Act (SMLA), MCL 493.56b(2)(2). The examination concluded on April 15, 2013.
3. On or about May 3, 2013, a Notice of Opportunity to Show Compliance (NOSC) was issued by DIFS to Respondent in the above-entitled matter pursuant to the provisions of the Michigan Administrative Procedures Act (APA), MCL 24.201 *et seq.*, MBLSLA, 1987 PA 173, as amended, MCL 445.1651 *et seq.*, and the SMLA, 1981 PA 125, as amended, MCL 493.51 *et seq.*
4. The NOSC contained allegations that Respondent violated the MBLSLA and SMLA and set forth the applicable laws and penalties.
5. Respondent exercised its opportunity to show compliance on or about May 17, 2013, by submitting a written response to the allegations raised in the examination.
6. Thereafter, DIFS and Respondent conferred for purposes of resolving this matter and have determined to settle this matter pursuant to the terms set forth below.
7. The Senior Deputy Director of DIFS has jurisdiction and authority to adopt and issue the attached Order Requiring Compliance and the Payment of Civil Fines pursuant to the APA, MBLSLA, and the SMLA.

8. At all pertinent times, Respondent was licensed with DIFS as a mortgage broker, lender, and servicer pursuant to the MBLSLA, and a registered mortgage broker, lender, and servicer pursuant to the SMLA.
9. Based upon the allegations set forth in the NOSC and communications with Respondent, the following facts were alleged and agreed upon:
 - a. Prior to obtaining a mortgage broker, lender, and servicer registration to service mortgage loans, Respondent serviced 39 second mortgage loans in 2009, 2010, 2011, and 2012. Respondent acquired the 39 loans in 2009.
 - b. Section 2 of the SMLA, MCL 493.52, provides that a person shall not act as a servicer of more than 10 mortgage loans in a calendar year without a license or registration to engage in such servicing activity. Respondent violated Section 2 of the SMLA, MCL 493.52, by servicing 39 mortgage loans without a license or registration to engage in such activity pursuant to the SMLA.
10. As disciplinary action for the violation of the SMLA admitted to herein, Respondent agrees to pay civil fines in the amount of **\$3,000 and secondary mortgage licensing fees in the amount \$5,531**. The amount of the civil fines take into account that as soon as Respondent learned that it was required to obtain a license/registration to service mortgage loans in this state, it submitted an application for registration and was approved on March 15, 2013. Respondent shall remit payment of the civil fines and secondary mortgage licensing fees within 30 days of the invoice date as indicated on the DIFS invoice.
11. Respondent agrees that it shall CEASE AND DESIST from any and all violations of the statutes, rules, and regulations identified in paragraph 9 of this stipulation.
12. The procedural requirements of the APA and SMLA have been met in all respects by both parties.
13. Respondent understands and agrees that this Stipulation will be presented to the Senior Deputy Director for approval. The Senior Deputy Director may, in her sole discretion, decide to accept or reject the Stipulation and Order. If the Senior Deputy Director accepts the Stipulation and Order, Respondent waives the right to a hearing in this matter and consents to the entry of the Order. If the Senior Deputy Director does not accept the Stipulation and Order, Respondent waives any objection to the Director holding a formal administrative hearing and making her decision after such hearing.
14. The failure to abide by and fully comply with the terms and conditions of this Stipulation and Order may, at the discretion of the Senior Deputy Director, result in further administrative compliance actions.
15. The Senior Deputy Director has jurisdiction and authority under the provisions of the APA and the SMLA to accept this Stipulation to Entry of Order Requiring Compliance and the Payment of Civil Fines and to issue an Order Requiring Compliance and the Payment of Civil Fines resolving these proceedings.

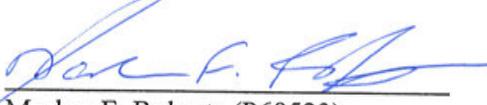
16. Respondent has had an opportunity to review this Stipulation and the accompanying Order Requiring Compliance and the Payment of Civil Fines and have the same reviewed by legal counsel.

21ST MORTGAGE CORPORATION


By: Matthew D. Webb
Its: General Counsel

4/28/15
Dated

DIFS Staff approve this Stipulation and recommend that the Senior Deputy Director issue the Order Requiring Compliance and the Payment of Civil Fines.


Marlon F. Roberts (P68523)

4/30/2015
Dated