

STATE OF MICHIGAN  
DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial & Insurance Regulation

In the Matter of:

Kennedy Mortgage, Inc.  
dba Starpointe Lending, Inc.  
License Nos.: FL-0012000, SR: 0012001

Enforcement Case No. 10-11064

Respondent  
\_\_\_\_\_ /

**CONSENT ORDER REVOKING FIRST MORTGAGE LICENSE**

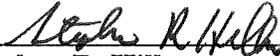
Issued and entered  
on 12/14/14  
by Stephen R. Hilker  
Chief Deputy Commissioner

Based upon the Stipulation to Entry of Consent Order and the files and records of the Office of Financial and Insurance Regulation (OFIR) in this matter, the Chief Deputy Commissioner finds and concludes that:

1. The Chief Deputy Commissioner has jurisdiction and authority to adopt and issue this Consent Order in this proceeding pursuant to the Michigan Administrative Procedures Act of 1969 (MAPA), as amended, MCL 24.201 *et seq.*, the Mortgage Brokers, Lenders, and Servicers Licensing Act (MBLSLA), 1987 PA 173, as amended MCL 445.1651 *et seq.*, and the Secondary Mortgage Loan Act (SMLA), 1981 PA 125, 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 parties' Stipulation to Entry of Consent Order is reasonable and in the public interest.
4. All applicable provisions of the MAPA have been met.
5. Kennedy Mortgage, Inc. dba Starpointe Lending, Inc. ("Respondent") violated MCL 445.1671(1)-(2), MCL 445.1672(a), MCL 445.1636, MCL 445.1637, and MCL 493.68.

Now therefore, based upon the parties' Stipulation and the facts surrounding this case, **IT IS ORDERED THAT:**

1. The Stipulation to Entry of Consent Order submitted by the parties to the Chief Deputy Commissioner is hereby **ACCEPTED**.
2. Respondent shall **CEASE** and **DESIST** from violating MCL 445.1671(1)-(2), MCL 445.1672(a), MCL 445.1636, MCL 445.1637, and MCL 493.68.
3. Forthwith, Respondent shall Cease and Desist from engaging in any activity requiring licensure or registration under the MBLSLA, and deliver to the Commissioner its original first mortgage license certificate.
4. Respondent's first mortgage broker license, issued pursuant to provisions of the MBLSLA, shall be and hereby is **REVOKED**.
5. The Commissioner specifically retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as he shall deem just, necessary and appropriate in accordance with the MBLSLA. Failure to abide by the terms and provisions of the Stipulation and this Order may result in the commencement of additional proceedings.

  
\_\_\_\_\_  
**Stephen R. Hilker**  
**Chief Deputy Commissioner**

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Respondent

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**STIPULATION FOR VOLUNTARY REVOCATION OF FIRST MORTGAGE LICENSE  
AND ENTRY OF CONSENT ORDER REVOKING FIRST MORTGAGE LICENSE**

Kennedy Mortgage, Inc. dba Starpointe Lending, Inc. ("Respondent") and the Office of Financial and Insurance Regulation ("OFIR") hereby stipulate and agree to the following:

1. OFIR staff conducted an on-site Examination of Respondent's books and records commencing on October 27, 2008, 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)(b). The Examination concluded on December 15, 2008.
2. On or about March 26, 2010, a Notice of Opportunity to Show Compliance ("NOSC") was issued by OFIR to Respondent in the above entitled matter pursuant to the provisions of the Michigan Administrative Procedures Act ("MAPA"), MCL 24.201 *et seq.*, the MBLSLA and SMLA.
3. The NOSC contained allegations that Respondent violated the MBLSLA and SMLA and set forth the applicable laws and penalties which could be taken against the Respondent.
4. Respondent neglected to exercise its right to an informal conference under the MBLSLA, SMLA, and MAPA.
5. Respondent conferred for the purposes of resolving this matter and determined to settle this matter pursuant to the terms set forth below.

6. The Commissioner of OFIR (“Commissioner”) has jurisdiction and authority to adopt and issue this Consent Order, pursuant to the MAPA, MCL 24.201 *et seq.*, the MBLSLA and SMLA.
7. At all times pertinent to the matter herein, Respondent was licensed with OFIR as a mortgage broker pursuant to the MBLSLA, and registered with OFIR as a secondary mortgage broker pursuant to the SMLA.
8. On or about October 29, 2010, Respondent surrendered its first mortgage broker license. Pursuant to Section 10(1) of the MBLSLA, MCL 445.1660(1), the surrender of a license does not affect a proceeding to revoke a license.
9. Respondent’s secondary mortgage broker registration was inactivated on January 6, 2009, because Respondent elected not to renew its registration.
10. Based upon the allegations set forth in the NOSC and communications with the Respondent, OFIR established the following:
  - a. Respondent failed to maintain a list of withdrawn or denied loan applications, and consequently, restricted the Commissioner’s ability to determine whether the Respondent conducted business pursuant to the MBLSLA and the rules promulgated under the MBLSLA, in violation of MCL 445.1671(1).
  - b. Respondent failed to date the initial mortgage loan applications completed by its customers and, as a result, prevented the Commissioner from being able to determine whether the Respondent is conducting business in compliance with the law, in violation of MCL 445.1671(1).
  - c. Respondent failed to preserve and keep available for examination by the Commissioner, its customers’ good faith estimates, credit reports, origination documents, credit report invoices and an appraisal relating to its mortgage broker activity in violation of MCL 445.1671(2).
  - d. Contrary to MCL 445.1636, Respondent failed to provide its mortgage loan applicants with the required Borrowers Bill of Rights in violation of MCL 445.1636 and MCL 445.1672(a).
  - e. Contrary to MCL 445.1637, Respondent failed to provide its mortgage loan applicants with the nearest HUD-approved credit counseling agencies or the Consumer Caution and Home Ownership Counseling Notice in violation of MCL 445.1672(a) and MCL 445.1637.
  - f. Contrary to Section 3500.7 of Regulation X, RESPA, Respondent failed to disclose to its mortgage loan applicants in their initial good faith estimates, any information on the yield spread premium, in violation of MCL 445.1672(a).

- (g) Respondent failed to preserve and keep available for examination by the Commissioner, secondary mortgage loan documents for some of its mortgage loan applicants in violation of MCL 493.68.
11. Respondent agrees to CEASE and DESIST from any and all the violations set forth in paragraph 10.
  12. Respondent agrees to Cease and Desist from engaging in any activity requiring licensure or registration under the MBLSLA or SMLA, and deliver to the Chief Deputy Commissioner its original first mortgage license certificate and original secondary mortgage registration certificate.
  13. Respondent, without admitting and denying the allegations made by OFIR, consents to the entry of the Consent Order.
  14. Respondent agrees that its first mortgage license shall be revoked by the Commissioner.
  15. Both parties have complied with the procedural requirements of the MAPA, and the MBLSLA.
  16. Respondent understands and agrees that this Stipulation will be presented to the Chief Deputy Commissioner for approval.
  17. The Chief Deputy Commissioner may in his sole discretion, decide to accept or reject the Stipulation to Entry of Consent Order and Consent Order Requiring Compliance and Payment of Fines. If the Chief Deputy Commissioner accepts the Stipulation and Consent Order, Respondent waives the right to a hearing in this matter. If the Chief Deputy Commissioner does not accept the Stipulation and Consent Order, Respondent waives any objection to the Commissioner holding a formal administrative hearing and making his decision after such hearing.
  18. The failure to abide by the terms and conditions of this Stipulation and Consent Order may, at the discretion of the Commissioner, result in further administrative compliance actions.
  19. The Commissioner has jurisdiction and authority under the provisions of the MAPA and the MBLSLA to accept the Stipulation and to issue a Consent Order resolving these proceedings.
  20. Respondent has had an opportunity to review the Stipulation and Consent Order and have the same reviewed by legal counsel.

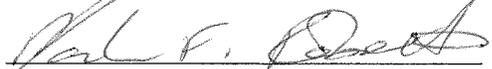
**Kennedy Mortgage, Inc. dba Starpointe Lending, Inc.**

By:   
\_\_\_\_\_

12/2/2010  
Dated: \_\_\_\_\_

Its:

**Office of Financial & Insurance Regulation**



By: Marlon F. Roberts  
Staff Attorney

12/10/10  
Dated