

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

Before the Commissioner of the Office of Financial and Insurance Regulation

In the Matter of:

Thornapple Mortgage Co. LLC

Enforcement Case No. 09-7069

License/Registration No.

FL-0011632/SR-0012060

Respondent.

**FINAL ORDER TO REVOKE FIRST MORTGAGE LICENSE
AND SECONDARY MORTGAGE REGISTRATION
AND ASSESS CIVIL FINES**

Issued and Entered
This 16th day of April, 2010
by Stephen R. Hilker
Chief Deputy Commissioner

I.
FINDINGS OF FACT

1. On March 8, 2010, pursuant to MCL 445.1662 and MCL 493.61, the Commissioner of the Office of Financial and Insurance Regulation ("OFIR") issued to Respondent a NOTICE OF INTENT TO REVOKE FIRST MORTGAGE LICENSE AND SECONDARY MORTGAGE REGISTRATION ("Notice").
2. Said Notice, served on Respondent via certified mail, was received by Respondent on March 24, 2010, as evidenced by the certified mail Domestic Return Receipt confirmation.
3. Said Notice contained allegations that Respondent had violated the Mortgage Brokers, Lenders, and Servicers Licensing Act, 1987 P.A. 173, as amended, MCL 445.1651 *et*

seq. (“MBLSLA”), and the Secondary Mortgage Loan Act, 1981 P.A. 125, as amended, MCL 493.51 *et seq.* (“SMLA”), which warrant the revocation of Respondent’s first mortgage license and secondary mortgage registration and the assessment of fines and penalties. Specifically, said Notice alleged that Respondent:

- a. Failed to comply with MCL 445.1671(1)-(2) and MCL 493.67-68 by failing to maintain its books, accounts, records, and documents of its business to enable the commissioner to determine compliance with the MBLSLA. In particular, Respondent failed to maintain a properly completed Uniform Residential Loan Application Form 1003 in at least 9 instances, failed to date certain documents, and failed to maintain certain documents.
- b. Failed to comply with MCL 445.1672(a) by its failure to conduct business in accordance with applicable law. In particular, Respondent:
 - i. Failed to comply with Section 202.9 of the Board of Governors of the Federal Reserve’s (the “Board”) Regulation B, implementing the Equal Credit Opportunity Act (“ECOA”), 12 C.F.R. 202.9.
 - ii. Failed to comply with Section 3500.7 of the Department of Housing and Urban Development’s (“HUD”) Regulation X, implementing the Real Estate Settlement Procedures Act (“RESPA”), 24 C.F.R. 3500.7.
 - iii. Failed to comply with Section 3500.14 of HUD’s Regulation X, implementing RESPA, 24 C.F.R. 3500.14.
 - iv. Failed to comply with MCL 445.1637 in relation to nineteen residential mortgage loan applications.
 - v. Failed to develop, implement, and maintain written policies and procedures for safeguarding customer information, as required under 16 C.F.R. 341.3 – 341.4.
- c. Violated MCL 445.1672(b) and MCL 493.61(2) by its employee loan officer engaging in fraud, deceit, or material misrepresentation in

- connection with up to three residential mortgage loans for the same borrower originated under its license.
- d. Violated MCL 445.1673(1) by charging two borrowers more than the actual expense incurred for a third-party fee. Respondent made refunds to the borrowers totaling \$76.50.
 - e. Violated MCL 493.25 by its failure to conduct business in accordance with applicable federal law. In particular, Respondent failed to comply with Section 3500.7 of HUD's Regulation X, implementing RESPA, 24 C.F.R 3500.7, in relation to at least one secondary mortgage loan.
4. Said Notice further advised Respondent that failure to request a hearing within 20 days would result in the issuance of a Final Order finding the factual allegations contained in the Notice true and correct and revoking Respondent's first mortgage license and secondary mortgage registration and assessing fines and penalties.
 5. Respondent failed to request a hearing within 20 days as required by statute.

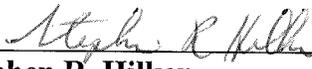
II.
**FINAL ORDER TO REVOKE FIRST MORTGAGE LICENSE
AND SECONDARY MORTGAGE REGISTRATION**

NOW, THEREFORE, based upon the factual findings set forth above and the files and records of OFIR, **IT IS HEREBY ORDERED THAT:**

1. The factual allegations set forth in the Notice and outlined above shall be and hereby are found to be true and correct.
2. Respondent's first mortgage license, license no. FL-0011632, issued pursuant to provisions of the MBLSLA, shall be and hereby is **REVOKED**. Forthwith, Respondent shall return its original first mortgage license certificate.
3. Respondent shall be and hereby is assessed a **CIVIL FINE** in the amount of \$2,000.00 pursuant to provisions of the MBLSLA. Payment of the **CIVIL FINE** is due and payable on the 30th day following the issuance and entry of this Order and shall be tendered in the form of a certified check or money order payable to the State of Michigan.

4. Respondent's secondary mortgage registration, registration no. SR-0012060, issued pursuant to provisions of the SMLA, shall be and hereby is **REVOKED**. Forthwith, Respondent shall return its original secondary mortgage registration certificate.
5. This Order shall be and is effective on the date it is issued, as shown in the caption hereof. This Order shall remain in effect until terminated, modified, or set aside, in writing by the Commissioner.

IT IS SO ORDERED.



Stephen R. Hilker
Chief Deputy Commissioner