

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial & Insurance Regulation

In the matter of:

Allied Home Mortgage Corporation,
n/k/a AllQuest Home Mortgage Corporation,

Enforcement Case No. 11-11412
Agency No. 11-863-MB

Respondent.

CONSENT ORDER

Issued and entered
on Oct. 5th 2012
by Stephen R. Hilker
Senior 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 Senior Deputy Commissioner finds and concludes that:

1. The Senior 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 (APA), as amended, MCL 24.201 *et seq.*, and Mortgage Brokers, Lenders, and Servicers Licensing Act (MBLSLA), 1987 PA 187, as amended, MCL 445.1651 *et seq.*, and the 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 parties' Stipulation to Entry of Consent Order is reasonable and in the public interest.
4. All applicable provisions of the APA have been met.
5. Respondent violated MCL 445.1652(1) and MCL 445.1672(a).

Now therefore, based upon the parties' Stipulation to Entry of Consent Order (Stipulation) and the facts surrounding this case, **IT IS ORDERED THAT:**

1. Respondent shall adhere to all terms in the attached Stipulation and this Consent Order.

2. Respondent shall cease and desist from engaging in any activities requiring a license or registration with respect to Michigan residential mortgage loans with the exception of holding servicing rights and engaging in activities to transfer or sell such servicing rights.
3. Respondent shall retain its servicing rights for no more than six months after the date of this Order. Within six (6) months from the date of this Order, Respondent shall ensure that all of its loans including its rights to service such loans have been transferred to a licensed, registered or exempt entity under the MBLSLA and/or SMLA.
4. Respondent shall not obtain the rights to service additional Michigan mortgage loans. In the event that _____ Mortgage, Inc. ceases to service Respondent's Michigan mortgage loans, Respondent shall, within 21 days of the company ceasing to service its Michigan mortgage loans, obtain another servicer to service its Michigan mortgage loans. Respondent shall ensure that any entity it contracts to service its Michigan mortgage loans is properly licensed, registered or exempt under the MBLSLA and/or SMLA.
5. Respondent shall provide OFIR with an initial monthly written report at the time of executing this Stipulation listing all Michigan residential mortgage loans for which it retains servicing rights and thereafter produce an updated monthly report every thirty (30) days listing all Michigan residential mortgage loans for which it still retains servicing rights and detailing its activities to transfer or sell such servicing rights, including the name of the entity to which its servicing rights have been sold or transferred.
6. The Senior Deputy Commissioner retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as shall be deemed just, necessary, and appropriate in accordance with the Act. Failure to abide by the terms and provisions of the Stipulation to Entry of Consent Order and this Consent Order may result in the commencement of additional proceedings.



Stephen R. Hilker
Senior Deputy Commissioner

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In the matter of:

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Respondent.

STIPULATION TO ENTRY OF CONSENT ORDER

Allied Home Mortgage Corporation N/K/A AllQuest Home Mortgage Corporation (Respondent) and the Office of Financial and Insurance Regulation (OFIR) stipulate to the following:

1. The Commissioner of the Office of Financial and Insurance Regulation (Commissioner) is statutorily charged with the responsibility and authority to administer and enforce the Mortgage Brokers, Lenders, and Servicers Licensing Act (MBLSLA), 1987 PA 187, as amended, MCL 445.1651 *et seq.*, and the Secondary Mortgage Loan Act (SMLA), 1981 PA 125, as amended, MCL 493.51 *et seq.*, pursuant to provisions therein.
2. The Commissioner is statutorily charged with general supervisory power and control over all mortgage brokers, mortgage lenders, and mortgage servicers doing business in the State of Michigan pursuant to provisions of the MBLSLA and SMLA.
3. Respondent was granted a first mortgage broker, lender and servicer registration by the Commissioner on November 24, 2010, pursuant to Section 6(1)(a) and (b) of the MBLSLA, MCL 445.1656(1)(a)-(b).
4. Respondent was granted a secondary mortgage broker, lender and servicer registration by the Commissioner on November 24, 2010, pursuant to Section 3a(a)-(c) of the SMLA, MCL 493.53a(a)-(c).
5. Pursuant to the MBLSLA, on or about November 10, 2011, the Commissioner issued to Respondent an Order to Cease and Desist from Violating the Mortgage Brokers, Lenders, and Servicers Licensing Act and Notice of Opportunity for Administrative Hearing. Respondent was ordered to cease and desist from conducting activities regulated by the MBLSLA.

6. Pursuant to the SMLA, on or about November 10, 2011, the Commissioner issued to Respondent an Order for Summary Suspension, Order to Cease and Desist, and Notice of Opportunity for Administrative Hearing. Respondent was ordered to cease and desist from conducting activities regulated by the SMLA.
7. The Commissioner made the following findings in the above-mentioned Orders:
 - a) On or about November 1, 2011, the U.S. Department of Housing and Urban Development's Mortgage Review Board suspended Respondent's approval to underwrite or originate new mortgages insured by FHA.
 - b) On or about November 1, 2011, Ginnie Mae suspended Respondent as an issuer or servicer of its mortgage-backed securities.
 - c) On or about November 1, 2011, Fannie Mae suspended Respondent as a seller or servicer of its mortgage-backed securities.
 - d) HUD also suspended Respondent's president and chief executive officer, Jimmy C. Hodge, and was proposing to debar him.
8. Due to HUD's and Ginnie Mae's suspensions, Respondent's warehouse lines of credit were frozen preventing Respondent from funding the loans in its pipelines.
9. OFIR subsequently learned that Respondent obtained a preliminary injunction against HUD reversing the FHA and Ginnie Mae suspensions in Federal District. The injunction was issued on November 15, 2011, and remains in place as of the date of this Order.
10. Respondent admits to the Commissioner's Findings of Facts and Conclusions of Law as stated in the Commissioner's Orders dated November 10, 2011.
11. On November 30, 2011, Respondent requested a hearing to contest the Order for Summary Suspension.
12. On or about December 21, 2011, Respondent surrendered its secondary mortgage registration.
13. On or about May 31, 2012, Respondent surrendered its first mortgage registration and withdrew its request for a hearing.
14. Respondent stipulates that it is in the process of winding down its business operations and only holds servicing rights to 118 Michigan residential mortgage loans for which it is seeking to transfer or sell to other licensed or lawfully exempt entities. Respondent further stipulates that it has transferred its Michigan day-to-day servicing functions to a registered mortgage broker, lender and servicer, and that it has no direct contact with consumers for such loans.

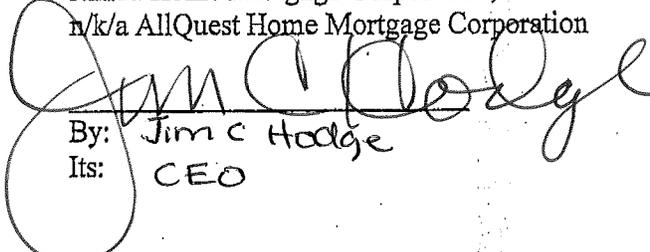
Based on the foregoing stipulation, Respondent and OFIR agree as follows:

1. Respondent, by signing this Stipulation, unequivocally states that it has ceased engaging in any activities requiring a license or registration with respect to Michigan residential mortgage loans with the exception of holding servicing rights and engaging in activities to transfer or sell such servicing rights.
2. Respondent will retain its servicing rights for no more than six months after the date of the attached Order. Within six (6) months from the date of the attached Order, Respondent shall ensure that all of its loans including its rights to service such loans have been transferred to a licensed or registered entity under the MBLSLA or SMLA or an entity exempt from licensure or registration.
3. Respondent will not obtain the rights to service additional Michigan mortgage loans. In the event that _____ ceases to service Respondent's Michigan mortgage loans, Respondent must, within 21 days of the company ceasing to service its Michigan mortgage loans, obtain another servicer to service its Michigan mortgage loans. Respondent will ensure that any entity it contracts to service its Michigan mortgage loans is properly licensed, registered or exempt under the MBLSLA and/or SMLA.
4. Respondent must provide OFIR with an initial monthly written report at the time of executing this Stipulation listing all Michigan residential mortgage loans for which it retains servicing rights and thereafter produce an updated monthly report every thirty (30) days listing all Michigan residential mortgage loans for which it still retains servicing rights and detailing its activities to transfer or sell such servicing rights, including the name of the entity to which its servicing rights have been sold or transferred.
5. Both parties have complied with the procedural requirements of the Michigan Administrative Procedures Act of 1969 (APA), MCL 24.201 *et seq.*, the MBLSLA and SMLA.
6. Respondent understands and agrees that this Stipulation will be presented to the Senior Deputy Commissioner for approval.
7. The Senior Deputy Commissioner may in his sole discretion, decide to accept or reject the Stipulation to Entry of Consent Order. If the Senior Deputy Commissioner accepts the Stipulation to Entry of Consent Order, Respondent waives the right to a hearing in this matter and consents to the entry of the Consent Order. If the Senior Deputy Commissioner does not accept the Stipulation to Entry of Consent Order, Respondent waives any objection to the Commissioner holding a formal administrative hearing and making his decision after such hearing. Respondent agrees to comply with this Stipulation and the attached Order.
8. The failure to abide by the terms and conditions of this Stipulation to Entry of Consent Order and the Consent Order may, at the discretion of the Senior Deputy Commissioner,

result in further administrative compliance actions.

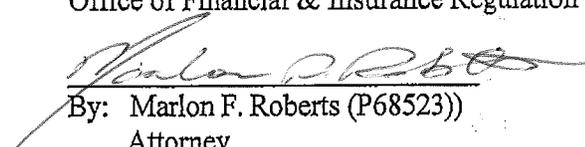
9. The Senior Deputy Commissioner has jurisdiction and authority under the provisions of the MAPA, MBLSLA and the SMLA to accept the Stipulation to Entry of Consent Order and to issue a Consent Order resolving these proceedings.
10. Respondent has had an opportunity to review the Stipulation to Entry of Consent Order and the Consent Order and have the same reviewed by legal counsel.
11. Respondent understands and intends that by signing this Stipulation, Respondent is waiving the right pursuant to the MBLSLA, SMLA, the rules promulgated thereto, and the APA, to a hearing before an administrative law judge, at which OFIR would be required to prove the charges set forth by presentation of evidence and legal authority and at which Respondent would be entitled to appear to cross-examine all witnesses presented by OFIR and to present such testimony or other evidence or legal authority deemed appropriate as a defense to said charges.

Allied Home Mortgage Corporation,
n/k/a AllQuest Home Mortgage Corporation

By:  Jim C Hodge
Its: CEO

9/27/2012
Dated

Office of Financial & Insurance Regulation


By: Marlon F. Roberts (P68523))
Attorney

10/2/12
Dated