

ORDER

**BEFORE THE ADMINISTRATOR
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF BANKING**

TO: Helen R. Patenaude
109 Congress Street
Oconto, WI 54153
Respondent

I. PURPOSE OF THIS ORDER

The purpose of this Order is to revoke the certificate of registration as a loan originator that was issued to Helen R. Patenaude.

II. JURISDICTION

1. The State of Wisconsin, Department of Financial Institutions, Division of Banking (“division”) shall enforce and carry out all laws relating to mortgage bankers, mortgage brokers and loan originators in the State of Wisconsin, and shall enforce and cause to be enforced every law relating to the supervision and control thereof, pursuant to subch. III, ch. 224, Stats.

2. Helen R. Patenaude (“Patenaude”) holds a certificate of registration as a loan originator with the division, certificate of registration #29849. Respondent is located at 109 Congress Street, Oconto, WI 54153.

III. POWERS OF THE DIVISION

3. Pursuant to s. 224.72(4r), Stats., if the division finds that the surety bond, security or insurance policy filed by a mortgage banker or mortgage broker has been canceled without the required notice to the division, the division may summarily suspend the mortgage banker’s or mortgage broker’s registration.

4. Pursuant to s. 224.72(7m), Stats., the division may not issue or renew a certificate of registration if the applicant has failed to provide any information required under s. 224.72(2)(c)1., Stats.; is delinquent for certain taxes; and for such other matters as set forth therein.

5. Pursuant to ss. 224.77(1)(a) to (r), Stats., the division may deny an application submitted to it under s. 224.72, Stats., or may revoke, suspend or limit the certificate of registration of a mortgage banker, loan originator or mortgage broker, or may reprimand a mortgage banker, loan originator or mortgage broker for any of the grounds set forth therein.

6. Pursuant to s. 224.77(1m), Stats., the division may assess against a person who is registered under ch. 224, Stats., a forfeiture of not more than \$2,000 for each violation enumerated under ss. 224.77(1)(a) to (o) or (r), Stats.

7. Pursuant to s. 224.77(2), Stats., the division may revoke, suspend or limit a certificate of registration issued under subch. II, ch. 224, Stats., or reprimand a mortgage banker or mortgage broker registered under subch. II, ch. 224, Stats., if a director, officer, trustee, partner or member of the mortgage banker or mortgage broker or a person who has a financial interest in or is in any way connected with the operation of the mortgage banker's or mortgage broker's business is guilty of any act or omission which would be cause for refusing to issue a certificate of registration to that individual.

8. Pursuant to s. 224.77(3)(a), Stats., the division may issue general and special orders necessary to prevent or correct actions by a mortgage banker, loan originator or mortgage broker that constitute cause under s. 224.77, Stats., for revoking, suspending or limiting a certificate of registration.

9. Pursuant to s. 224.77(3)(b), Stats., special orders may direct a mortgage banker, loan originator or mortgage broker to cease and desist from engaging in a particular activity or may direct the mortgage banker, loan originator or mortgage broker to refund or remit certain amounts.

10. Pursuant to s. 224.77(5), Stats., if the division finds a mortgage banker, loan originator or mortgage broker has violated s. 224.77(1)(p) or (q), Stats., the division shall, for the first offense, suspend the registration of the mortgage banker, loan originator or mortgage broker for not less than 90 days, and for the 2nd offense, revoke the registration of the mortgage banker, loan originator or mortgage broker.

11. Pursuant to s. 224.77(6) , Stats., the division shall restrict or suspend the registration of a mortgage banker, loan originator or mortgage broker for the proceedings and expenses set forth therein.

12. Pursuant to s. 224.77(7), Stats., the division shall revoke the certificate of registration of a mortgage banker, loan originator or mortgage broker for the tax matters set forth therein.

IV. FINDINGS

13. The division finds as follows:

a. On or about November 5, 2004, the division received a "Loan Originator Application" for Patenaude. (Exhibit 1) In response to the loan originator application question "Has any licensing (credentialing) agency or regulatory agency ever taken any disciplinary action against you, including but not limited to, any warning, reprimand, enforcement action, suspension, probation, limitation or revocation? Provide details, including the name of the credentialing agency and date of action.," Patenaude answered "No." The loan originator application received for Patenaude included a "Loan Originator Affidavit," which indicates, in part: "I state that I am the person referred to on this application and that all the answers set forth are strictly true in each respect. I understand that false or forged statements made in connection with this application may be grounds for revocation of my license or other disciplinary action." Patenaude signed the "Loan Originator Affidavit" on September 27, 2004, in the presence of a notary. On November 11, 2004, the division issued loan originator certificate of registration #29849. (Exhibit 2)

b. On December 10, 1998, a Final Decision and Order (#98 REB 060) was filed by the Wisconsin Real Estate Board and the Department of Regulation and Licensing against Patenaude. (Exhibit 3) Real estate broker license #90-43554 was first granted to Patenaude on July 20, 1989 by the Department of Regulation and Licensing. The Final Decision and Order concluded Patenaude violated provisions of the Wisconsin Statutes and Administrative Code. The Final Decision and Order reprimanded Patenaude. The Final Decision and Order ordered that Patenaude, within six months of the date of the Order, successfully complete the five hour Trust Account, Escrow, and Closing Statement module-section RL 25.02(2)(c), of the Wisconsin Administration Code and submit proof of completion to the Real Estate Board. The Final Decision and Order also ordered Patenaude to pay \$300, within 30 days of the date of the Order, to the Department of Regulation and Licensing.

c. On March 25, 2004, a Final Decision and Order (#LS0306042REB) was filed by the Wisconsin Real Estate Board and the Department of Regulation and Licensing against Patenaude. (Exhibit 4) The Final Decision and Order concluded that Patenaude violated Wisconsin Statutes and Administrative Code by failing to make records available to the Department of Regulation and Licensing, failed to file an Answer to the Complaint, and failed to appear at the hearing held. The Final Decision and Order ordered that Patenaude's license (#43554) to practice as a real estate broker, be revoked.

d. Section 224.77(1)(m), Stats., indicates the division may revoke a loan originator certificate of registration if the division finds that the loan originator engaged in conduct which constitutes improper, fraudulent or dishonest dealing. Patenaude engaged in conduct which constitutes improper, fraudulent or dishonest dealing as follows:

i. failure to disclose on the loan originator license application the division received for Patenaude on or about November 5, 2004 that she was reprimanded by the Wisconsin Real Estate Board and the Department of Regulation and Licensing;

ii. failure to disclose on the loan originator license application the division received for Patenaude on or about November 5, 2004 that her real estate broker license was revoked by the Wisconsin Real Estate Board and the Department of Regulation and Licensing;

iii. signing an affidavit under oath that all answers in the application the division received for Patenaude on or about November 5, 2004 were true in each respect, when they were not true in each respect; and

iv. submitting, or causing to be submitted, to the division on or about November 5, 2004, a loan originator license application that contained material misrepresentations.

e. Section 224.77(1)(a), Stats., indicates the division may revoke the certificate of registration of a loan originator if the division finds that the loan originator made a material misstatement in an application for registration, or in information furnished to the division. Patenaude made the following material misstatements in her application for registration:

i. On the loan originator application received by the division on or about November 5, 2004, Patenaude answered no to the question "Has any licensing (credentialing) agency or regulatory agency ever taken any disciplinary action against you, including but not limited

to, any warning, reprimand, enforcement action, suspension, probation, limitation or revocation? Provide details, including the name of the credentialing agency and date of action.”; and

ii. On the loan originator application received by the division on or about November 5, 2004, Patenaude signed an affidavit under oath that all answers in the application were true in each respect, when they were not true in each respect.

V. ORDER

14. **Based on the foregoing, IT IS HEREBY ORDERED that Patenaude’s loan originator certificate of registration #29849 is revoked.**

15. The provisions of this Order shall be binding upon Patenaude. The provisions of the Order shall remain effective and enforceable except to the extent that, and until such time as, any provisions of this Order shall have been modified, terminated, suspended, or set aside by the division.

16. The effective date of this Order shall be the date it is served. Pursuant to s. 227.48, Stats., service is effective upon mailing.

Dated at Madison, Wisconsin this 12th day of January, 2005.

By: _____
Michael J. Mach, Administrator
State of Wisconsin
Department of Financial Institutions
Division of Banking
P.O. Box 7876
345 W. Washington Avenue, 4th Floor
Madison, WI 53707-7876
tel. (608) 266-0451

NOTICE OF PROCEDURE TO REQUEST HEARING

Pursuant to Wisconsin Statutes section 224.77(3)(c), orders of the division of banking are subject to review as provided in Wisconsin Statutes chapter 227. Pursuant to Wisconsin Statutes section 224.77(3m), a person whose certificate of registration has been denied, revoked or suspended may request a hearing under s. 227.42, *et seq.* within 30 days after the date of denial.

Four criteria must be met before the division of banking will grant a hearing. Wisconsin Statute section 227.42(1) states as follows:

“[A]ny person filing a written request with an agency for hearing shall have the right to a hearing if:

(a) A substantial interest of the person is injured in fact or threatened with injury by agency action or inaction;

(b) There is no evidence of legislative intent that the interest is not to be protected;

(c) The injury to the person requesting a hearing is different in kind or degree from injury to the general public caused by the agency action or inaction; and

(d) There is a dispute of material fact.

All four criteria must be met. In particular, the attention of an individual or entity requesting a hearing is directed to the requirement to demonstrate that there is a dispute of material fact regarding the basis for the action being taken by the division.

For a request for a hearing to receive consideration by the division, the request must be received by the division within 30 days of the date of the denial.

The request shall be sent to:

Michael J. Mach, Administrator
State of Wisconsin
Department of Financial Institutions
Division of Banking
P.O. Box 7876
345 W. Washington Avenue, 4th Floor
Madison, WI 53707-7876