

ORDER

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

TO: Nancy Krause
[REDACTED]
Neenah, WI 54956
Respondent

PURPOSE

1. This is an order issued by the Administrator, State of Wisconsin, Department of Financial Institutions, Division of Banking and directed to respondent.

JURISDICTION and AUTHORITY

2. 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. Ch. 224, subch. III, Stats.

3. Respondent holds a certificate of registration under ch. 224, subch. III, Stats., with the division, license #6524. Respondent is located at the address indicated above.

4. 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. Sec. 224.77(3)(a), Stats.

5. 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. Sec. 224.77(3)(b), Stats.

6. 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. Sec. 224.77(1m), Stats.

FINDINGS

The division finds as follows:

7. On or about December 6, 2006, the division received correspondence from Brian Gauthier ("Gauthier"), president of Homepride Mortgage Group, LLC. **Ex. 1.** In his letter, Gauthier indicated that on November 13, 2006, he was notified by Delta Funding Corporation ("Delta") that a Verification of Deposit ("VOD") that was sent to Delta was

altered. Gauthier further indicated that on November 15, 2006, respondent admitted to making the alterations on the document.

8. On December 18, 2006, the division contacted respondent regarding Gauthier's letter. **Ex. 2.**

9. On or about January 4, 2007, the division received correspondence from respondent, wherein respondent indicated, in part, "I saw that they had enough money for the downpayment but not seasoned long enough as they had no checking account. In a moment on [sic] mental weakness in an attempt to help them out I did alter the VOD." **Ex. 3.**

10. Pursuant to s. 224.77(1)(m), Stats., the division may revoke, suspend or limit the certificate of registration of a loan originator, or may reprimand a loan originator, if the division finds that the loan originator engaged in conduct which constitutes improper, fraudulent or dishonest dealing. Pursuant to s. DFI-Bkg 43.02(1), Admin. Code, using or permitting the use of any document which a registrant knows contains erroneous or false information concerning a prospective borrower's eligibility for a loan, constitutes improper, fraudulent or dishonest dealing.

11. Respondent engaged in conduct which constitutes improper, fraudulent or dishonest dealing when respondent altered the VOD.

12. Pursuant to s. 224.77(1)(i), Stats., the division may revoke, suspend or limit the certificate of registration of a loan originator, or may reprimand a loan originator, if the division finds that the loan originator demonstrated a lack of competency to act as a loan originator in a way which safeguards the interests of the public.

13. Respondent demonstrated a lack of competency to act as a loan originator in a way which safeguards the interests of the public when respondent altered the VOD.

14. Pursuant to s. 224.77(1)(b), Stats., the division may revoke, suspend or limit the certificate of registration of a loan originator, or may reprimand a loan originator, if the division finds that the loan originator made a substantial misrepresentation in the course of practice injurious to one or more of the parties to a transaction.

15. Respondent made a substantial misrepresentation in the course of practice injurious to one or more of the parties to a transaction when respondent altered the VOD.

16. Pursuant to s. 224.77(1)(L), Stats., the division may revoke, suspend or limit the certificate of registration of a loan originator, or may reprimand a loan originator, if the division finds that the loan originator engaged in conduct which violates a standard of professional behavior which, through professional experience, has become established for loan originators.

17. Respondent engaged in conduct which violates a standard of professional behavior which, through professional experience, has become established for loan originators when respondent altered the VOD.

ORDER

18. Based on the foregoing, IT IS HEREBY ORDERED that respondent's certificate of registration as a loan originator is revoked.

19. The provisions of this order shall be binding upon respondent. 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.

20. The effective date of this order shall be the date it is served, and service is complete upon mailing. Secs. 227.48(1), Stats., and DFI—Bkg 11.09, Admin. Code.

Dated and mailed at Madison, Wisconsin this 9th day of January, 2007.

By: 
Michael J. Mach, Administrator
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
fax (608) 267-6889

APPEAL

The procedures to appeal this order are set forth in s. 227.42, Stats. Pursuant to s. 227.42(1), Stats., any person filing a written request with an agency for hearing shall have the right to a hearing which shall be treated as a contested case 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 set for in s. 227.42(1), Stats., must be met for a person to have the right to a hearing. 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 or bases for the action being taken by the division.

The request shall be sent to:

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