

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO. C-10-052

ORDER NO. C-10-052-13-OR01

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ARKANSAS SECURITIES DEPT.

**IN THE MATTER OF:
QUICKEN LOANS, INC.
NMLS&R NO. 3030**

RESPONDENT

CONSENT ORDER

This Consent Order is entered pursuant to the Arkansas Fair Mortgage Lending Act (“FMLA”), codified at Ark. Code Ann. §§ 23-39-501 through 23-39-518, the Rules of the Arkansas Fair Mortgage Lending Act (“Rules”) and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-101 through 25-15-219, in accordance with an agreement by and between the Staff of the Arkansas Securities Department (“Staff”) and the Respondent, Quicken Loans, Inc. (“Quicken”), in resolution of a routine licensing examination, that commenced on March 5, 2010, and in full and final settlement of all claims that could be brought against Quicken by the Staff on the basis of the facts set forth herein.

Quicken admits the jurisdiction of the FMLA and the Arkansas Securities Commissioner (“Commissioner”), waives its right to a formal hearing and appeal, without admitting or denying the findings of fact made herein, and in the interest of resolving this matter, agrees to the entry of this Order, and agrees to abide by its terms.

FINDINGS OF FACT

From the pleadings, documentary evidence, and all other matters properly before the Commissioner, the Commissioner does make the following findings of fact:

1. Quicken is a corporation organized and operating under the laws of the State of Michigan. Quicken is licensed under the FMLA as a mortgage broker, banker and servicer, NMLS&R number 3030.

2. The Staff has determined that between January 2008 and May 2009, Quicken employed 6 individuals as loan officers, and these loan officers solicited and accepted 16 mortgage loan applications from Arkansas residents without being licensed under the FMLA (collectively "Activity"). During the examination period, Quicken originated over 2,800 mortgage loans and had over 700 MLOs licensed under the FMLA.

3. The Activity occurred following the implementation of new continuing education requirements. The MLOs were properly licensed under the FMLA but did not complete the continuing education by the December 31, 2007 deadline and were not eligible for renewal. A authorized representative of Quicken notified the Staff by email that the Arkansas licenses for said loan officers were not to be renewed. Therefore, the Staff did not renew the Arkansas licenses for said loan officers. Notwithstanding, the Arkansas Securities Department public website listed such licenses as active. Prior to the Nationwide Mortgage Licensing System and Registry ("NMLS"), Quicken relied on the accuracy of the state websites to assist in its auditing of licensing records.

4. Quicken fully cooperated with the Staff during the Staff's examination of Quicken's operations. In addition, Quicken has assured the Staff that it has instituted appropriate internal controls and supervisory changes in order to ensure that violations will not occur in the future. Further, Quicken has also assured the Staff that these changes to internal controls and supervision of employees were instituted by Quicken prior to the completion of the Staff's examination.

Legal Authority and Conclusions of Law

5. Ark. Code Ann. § 23-39-503(c) states that it is unlawful for any person other than an exempt person to employ, to compensate, or appoint as its agent any person to act as a loan

officer unless the loan officer is licensed as a loan officer under the Arkansas FMLA. The unlicensed mortgage loan officer activity by 6 employees of Quicken as detailed in paragraph two constitutes 16 violations of Ark. Code Ann. § 23-39-503(c) by Quicken.

6. Ark. Code Ann. §§ 23-39-514(b)(1) and (2) states that the Commissioner by order may impose a civil penalty that shall not exceed \$10,000.00 for each violation by a mortgage broker upon a licensee or any partner, officer, director, member, manager, or other person occupying a similar status or performing a similar function on behalf of a licensee for any violation of the FMLA. The acts and violations of the FMLA and the Rules by Quicken, as detailed in paragraph two, warrant the entry of appropriate civil penalty against Quicken.

ORDER

By agreement and with the consent of the Staff and the duly authorized representatives of Quicken, it is hereby ordered that Quicken shall be responsible for the payment of a civil penalty in the amount of \$2,500.00 to the Arkansas Securities Department within ten days of the entry of this Consent Order.

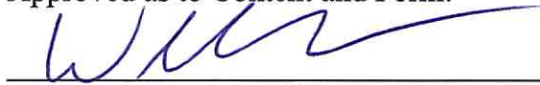


A. Heath Abshure
Arkansas Securities Commissioner

June 19, 2013

Date

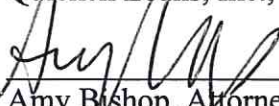
Approved as to Content and Form:



_____, Chief Executive Officer
Quicken Loans, Inc., the Respondent

6-18-13

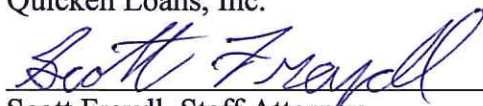
Date



Amy Bishop, Attorney for the Respondent
Quicken Loans, Inc.

6-18-13

Date



Scott Freydl, Staff Attorney
Arkansas Securities Department

6/19/13

Date