
IN THE MATTER OF:
LOAN X MORTGAGE LLC
NMLS # 1879263

(“Respondent”)

ORDER OF SUMMARY SUSPENSION

TEMPORARY ORDER TO CEASE AND DESIST

NOTICE OF INTENT TO REVOKE MORTGAGE BROKER LICENSE

NOTICE OF INTENT TO ISSUE ORDER TO CEASE AND DESIST

NOTICE OF INTENT TO IMPOSE CIVIL PENALTY

AND

NOTICE OF RIGHT TO HEARING

I. PRELIMINARY STATEMENT

1. The Banking Commissioner (“Commissioner”) is charged with the administration of Part I of Chapter 668, Sections 36a-485 to 36a-534b, inclusive, of the Connecticut General Statutes, “Mortgage Lenders, Correspondent Lenders, Brokers and Loan Originators”.

2. Pursuant to the authority granted by Section 36a-17 of the Connecticut General Statutes, the Commissioner, through the Consumer Credit Division (“Division”) of the Department of Banking, attempted to examine the activities of Respondent to determine if it had violated, is violating or is about to violate the provisions of the Connecticut General Statutes within the jurisdiction of the Commissioner (“Examination”).

3. Respondent failed to provide the information requested and necessary to conduct the Examination. As a result, the Commissioner alleges that Respondent violated Section 36a-17(e) of the Connecticut General Statutes, and finds that the public safety and welfare imperatively require emergency action to summarily suspend Respondent’s license to act as a mortgage broker in Connecticut pursuant to

Sections 36a-51(a) and 4-182(c) of the Connecticut General Statutes and the public welfare requires immediate action to issue a temporary order to cease and desist from violating Section 36a-17(e) of the Connecticut General Statutes against Respondent pursuant to Section 36a-52(b) of the Connecticut General Statutes.

4. Furthermore, the Commissioner has reason to believe that such conduct, constitutes sufficient grounds to revoke Respondent's mortgage broker license in Connecticut pursuant to Sections 36a-494(a)(1) and 36a-494(a)(1)(C) of the Connecticut General Statutes and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes, and forms a basis to issue an order to cease and desist against Respondent pursuant to Section 36a-52(a) of the Connecticut General Statutes, and impose a civil penalty against Respondent pursuant to Section 36a-50(a) of the Connecticut General Statutes.

II. MATTERS ASSERTED

5. Respondent is a Michigan limited liability company with a main office at 34100 Woodward Avenue, Suite 200, Birmingham, Michigan. Since February 8, 2021, Respondent has been licensed to act as a mortgage broker in Connecticut.

6. On July 18, 2023, the Division commenced an Examination of Respondent, by informing Respondent's primary contact employee designated on Nationwide Multistate Licensing System via e-mail that the Examination will be conducted through the State Examination System ("SES") and providing instructions for Respondent to enroll in SES. Not hearing from Respondent by July 20, 2023, the Division sent follow up e-mails concerning enrollment in SES on July 20 and 21, 2023 and had a telephone call with Respondent's primary contact employee on July 24, 2023, concerning enrollment, to which Respondent indicated Respondent would work on it. The Division followed up with additional e-mails to Respondent on July 25 and 27, 2023, to no avail.

7. On July 31, 2023, the Division sent approximately 50 information requests via SES to perform its Examination, including but not limited to, copies of all residential mortgage loan advertisements used in the last three years, bank accounts maintained by Respondent, employee list, financial statements, a

description of Respondent's origination process from first customer contact to closing and a list of residential mortgage loan applications taken and closed from February 8, 2021 to June 30, 2023. Also, on such date, the Division informed Respondent by e-mail that the information requests had been sent via SES and the loan list was the first item due by August 2, 2023.

8. After Respondent failed to respond by August 2, 2023, the Division sent an e-mail on August 3, 2023, informing Respondent that all deadlines had been extended and requests were due no later than August 11, 2023. The e-mail also stated that enforcement action may be initiated for Respondent's failure to comply with these deadlines. On August 8, 2023, the Division sent a final e-mail reminder to Respondent that information was due no later than August 11, 2023. In addition, SES sent daily enrollment reminders to Respondent between August 3, 2023, and August 11, 2023.

9. To date, Respondent has neither enrolled in SES nor provided any information requested pursuant to the Examination.

III. STATUTORY BASIS TO REVOKE MORTGAGE BROKER LICENSE, ORDER TO CEASE AND DESIST AND IMPOSITION OF CIVIL PENALTY

10. Respondent failed to provide records requested during the Examination or otherwise cooperate with the Commissioner, as more fully described in paragraphs 5 through 9, inclusive, of the Matters Asserted, in violation of Section 36a-17(e) of the Connecticut General Statutes. Such violation constitutes sufficient grounds to revoke Respondent's license to act as a mortgage broker in Connecticut pursuant to Section 36a-494(a)(1)(C) of the Connecticut General Statutes and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes, and forms the basis to issue an order to cease and desist against Respondent pursuant to Section 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty against Respondent pursuant to Section 36a-50(a) of the Connecticut General Statutes. Section 36a-50(a) of the Connecticut General Statutes authorizes the Commissioner to impose a civil penalty upon Respondent in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

11. Respondent's conduct, as more fully described in paragraphs 5 through 9, inclusive, of the Matters Asserted, renders the Commissioner unable to determine that the financial responsibility, character and general fitness of Respondent are such as to command the confidence of the community and to warrant a determination that Respondent will operate honestly, fairly and efficiently within the purposes of Sections 36a-485 to 36a-498e, inclusive, 36a-498h, 36a-534a and 36a-534b, as required pursuant to Section 36a-489(a)(1) of Connecticut General Statutes. Such failure constitutes sufficient grounds for the Commissioner to deny an application for such license and, in turn, constitutes sufficient grounds for the Commissioner to revoke Respondent's license to act as a mortgage broker in Connecticut pursuant to Section 36a-494(a)(1) of the Connecticut General Statutes and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes.

**IV. FINDINGS AND STATUTORY BASIS FOR ORDER OF SUMMARY
SUSPENSION AND TEMPORARY ORDER TO CEASE AND DESIST**

The Commissioner finds that the public safety and welfare imperatively require emergency action to summarily suspend Respondent's license to act as a mortgage broker in Connecticut pursuant to Sections 36a-51(a) and 4-182(c) of the Connecticut General Statutes, and finds that the public welfare requires immediate action to issue a temporary order requiring Respondent to cease and desist from violating Section 36a-17(e), pursuant to Section 36a-52(b) of the Connecticut General Statutes, to prevent potential harm to Connecticut consumers as a result of Respondent's failure to cooperate with the Department's Examination and provide the necessary records for the Commissioner to effectively supervise Respondent's mortgage broker activities in Connecticut.

**V. ORDER OF SUMMARY SUSPENSION, TEMPORARY ORDER TO CEASE
AND DESIST, NOTICE OF INTENT TO REVOKE MORTGAGE
BROKER LICENSE, NOTICE OF INTENT TO ISSUE ORDER TO
CEASE AND DESIST, NOTICE OF INTENT TO IMPOSE
CIVIL PENALTY AND NOTICE OF RIGHT TO HEARING**

WHEREAS, the Commissioner has reason to believe that Respondent has engaged in acts or conduct which constitutes sufficient grounds for the Commissioner to revoke Respondent's license to act as a mortgage broker in Connecticut pursuant to Sections 36a-494(a)(1), 36a-494(a)(1)(C) of the

Connecticut General Statutes and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes, forms a basis to issue an order to cease and desist pursuant to Section 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty pursuant to Section 36a-50(a) of the Connecticut General Statutes;

AND WHEREAS, the Commissioner has made the findings required under Sections 36a-51(a), 4-182(c) and 36a-52(b), of the Connecticut General Statutes.

NOW THEREFORE, THE COMMISSIONER ORDERS, pursuant to the authority granted in Sections 36a-494(a)(1), 36a-51(a) and 4-182(c) of the Connecticut General Statutes, that the license of Loan X Mortgage LLC to act as a mortgage broker in Connecticut be and is hereby **SUMMARILY SUSPENDED** pending proceedings to revoke its license.

THE COMMISSIONER FURTHER ORDERS, pursuant to the authority granted in Section 36a-52(b) of the Connecticut General Statutes, that Loan X Mortgage LLC immediately **CEASE AND DESIST** from further violations of Section 36a-17(e) of the Connecticut General Statutes. This Temporary Order to Cease and Desist shall become effective upon receipt by Loan X Mortgage LLC and, unless set aside or modified by a court, shall remain in effect until the effective date of a permanent order or dismissal of the matters asserted in this Temporary Order to Cease and Desist.

THE COMMISSIONER FURTHER ORDERS, pursuant to Sections 36a-51(a) and 36a-52(b) of the Connecticut General Statutes, that Loan X Mortgage LLC shall take the following actions:

1. Upon receipt of this Temporary Order to Cease and Desist, Respondent and any and all officers, directors, trustees, principal employees, mortgage loan originators, shareholders and agents acting on its behalf, shall immediately cease and desist from acting as a mortgage broker in this state, including but not limited to, accepting applications and soliciting or advertising its broker business in Connecticut or to Connecticut consumers, provided that Respondent is permitted to wind down its existing Connecticut origination activities as provided herein;
2. (a) No later than seven (7) days after receipt of this Temporary Order to Cease and Desist, Respondent shall submit a detailed record of all of Respondent's pending residential mortgage loan applications on properties located in Connecticut. Such information shall include, but not limited to, the following:
 - (i) the names of all consumers from whom Respondent have accepted an application for a residential mortgage loan and the loan number;
 - (ii) the applicants' addresses and telephone numbers;

- (iii) the amount of all prepaid loan fees submitted by each applicant;
 - (iv) rate lock status;
 - (v) the amount of each loan;
 - (vi) application status (*i.e.*, filed, submitted to lenders, cleared to close, etc.);
 - (vii) loan terms, if approved;
 - (viii) scheduled closing dates;
 - (ix) the loan purpose (*i.e.*, purchase or refinance);
 - (x) identification of the applicable lender with whom each application will be placed;
- and

(b) On each Friday, by 5 p.m. Eastern Standard Time after the effective date of this Temporary Order to Cease and Desist, an updated, written status report of the mortgage loan applications identified above under paragraph 2(a). The status report shall include the categories of information required under paragraph 2(a), and shall indicate the final disposition of each loan application and include the final terms under which each approved loan is closed. The reporting requirement shall continue until each of the approved applications is funded or placed with another mortgage broker or mortgage lender or withdrawn by the applicant(s);

3. No later than seven (7) days after receipt of this Temporary Order to Cease and Desist, Respondent shall immediately place any fees previously collected from Connecticut applicants related to any pending mortgage loan applications in a separate escrow account maintained at a federally-insured bank, Connecticut credit union, federal credit union or out-of-state bank that maintains in this state a branch as defined in Section 36a-410(1) of the Connecticut General Statutes, and notify the Division, of the account number and location of such account;
4. No later than seven (7) days after receipt of this Temporary Order to Cease and Desist, Respondent shall immediately place with one or more qualified lender(s) or broker(s) as appropriate, Respondent's entire pending application list of Connecticut residential mortgage loans. Respondent shall obtain the prior approval of the Commissioner before placing such applications with the qualified lender(s) or broker(s);
5. Respondent shall immediately secure all pending Connecticut mortgage loan application files and, to the extent that any original documents are forwarded to the relevant lender or broker, a copy of such document, correspondence or paper relating to the mortgage loan shall be retained in Respondent's books and records and shall be available in their entirety to the Division, immediately upon request on the date and time specified by the Division. Respondent shall provide the Division with the name and telephone numbers of the keeper of the records;
6. No later than seven (7) days after receipt of this Temporary Order to Cease and Desist, Respondent shall submit a written confirmation that it has informed all its mortgage loan originators licensed in Connecticut of this Order of Summary Suspension, Temporary Order to Cease and Desist, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Revoke Mortgage broker License, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing;
7. Upon receipt of this Temporary Order to Cease and Desist, Respondent shall notify all Connecticut mortgage lenders and correspondent lenders with which it does business, of the existence of this Order of Summary Suspension, Temporary Order to Cease and Desist, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Revoke Mortgage broker License, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing and that Respondent's mortgage broker license in Connecticut has been summarily suspended, pending

proceedings for revocation. Respondent shall provide evidence of such notification to the Division no later than seven (7) days after receipt of this Temporary Order to Cease and Desist;

8. Respondent shall immediately secure all records, files and documents relating to its mortgage broker activity in Connecticut (collectively, "Records"). The Records shall be available to the Commissioner in their entirety upon request; and
9. All notifications to the Division required pursuant to these paragraphs shall be directed to Carmine Costa, Director, Consumer Credit Division, Department of Banking, 260 Constitution Plaza, Hartford, Connecticut 06103-1800, or carmine.costa@ct.gov.

FURTHER, notice is hereby given to Respondent that the Commissioner intends to **REVOKE** Respondent's license to act as a mortgage broker in Connecticut, to issue an order requiring Respondent to **CEASE AND DESIST** from violating Sections 36a-17(e) of the Connecticut General Statutes, and to impose a **CIVIL PENALTY** upon Respondent as set forth herein, subject to Respondent's right to a hearing on the allegations set forth above.

A hearing will be granted to Respondent if a written request for a hearing is received by the Department of Banking, Consumer Credit Division, 260 Constitution Plaza, Hartford, Connecticut 06103-1800 or submitted by e-mail to DOB.hearingsupport@ct.gov within fourteen (14) days following Respondent's receipt of this Order of Summary Suspension, Temporary Order to Cease and Desist, Notice of Intent to Revoke Mortgage Broker License, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing as set forth in subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes, Sections 36a-52(a) and 36a-50(a) of the Connecticut General Statutes. This Order of Summary Suspension, Temporary Order to Cease and Desist, Notice of Intent to Revoke Mortgage Broker License, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing shall be deemed received on the earlier of the date of actual receipt, or seven (7) days after mailing or sending. To request a hearing, complete and return the enclosed Appearance and Request for Hearing Form to one of the above-referenced addresses. If Respondent will not be represented by an attorney at the hearing, please complete the Appearance and Request for Hearing Form as "pro se". Respondent may request that the hearing be held in person at the Department's offices or remotely via videoconference using Microsoft

Teams. Once a written request for a hearing is received, the Commissioner may issue a notification of hearing and designation of hearing officer that acknowledges receipt of a request for a hearing, designates a hearing officer and sets the date of the hearing in accordance with Section 4-177 of the Connecticut General Statutes and Section 36a-1-21 of the Regulations of Connecticut State Agencies. If a hearing is requested, the hearing will be held on November 1, 2023 at 10 a.m.

If a hearing is requested, it will be held in accordance with the provisions of Chapter 54 of the Connecticut General Statutes, unless Respondent fails to appear at the requested hearing. At such hearing, Respondent will have the right to appear and present evidence, rebuttal evidence and argument on all issues of fact and law to be considered by the Commissioner. Any remote hearing will be held in accordance with Section 149 of June Special Session Public Act 21-2, as amended by Section 1 of Public Act 22-3, and the Remote Hearing Guidelines available on the Department's website at <https://portal.ct.gov/dob>.

If Respondent fails to appear at the hearing, the allegations herein will be deemed admitted. Accordingly, the Commissioner will revoke Respondent's license to act as a mortgage broker in Connecticut, will issue an order that Respondent cease and desist from violating Section 36a-17(e) of the Connecticut General Statutes, and may order a civil penalty in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation be imposed upon Respondent.

So ordered at Hartford, Connecticut
this 5th day of September 2023.

/s/ _____
Jorge L. Perez
Banking Commissioner

CERTIFICATION

I hereby certify that on this 6th day of September 2023, the foregoing Order of Summary Suspension, Temporary Order to Cease and Desist, Notice of Intent to Revoke Mortgage Broker License, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing was sent by certified mail, return receipt requested, to Loan X Mortgage LLC, Attention: Timothy Dankha, 34100 Woodward Ave, Suite 200, Birmingham, Michigan 48009, Certified Mail No. 9589 0710 5270 0567 2687 59, and via electronic mail to Loan X Mortgage LLC, Attention Timothy Dankha, Member, who is designated as the primary contact in the contact employee fields on the Nationwide Multistate Licensing System and Registry, at the electronic mail address provided therein.

/s/
Swarupa Madhavan
Paralegal