

1 STATE OF ALASKA
2 DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
3 DIVISION OF BANKING AND SECURITIES

4)
5 In the matter of:) ORDER NO: 17-324-C
6 Quicken Loans Inc.) ORDER IMPOSING CIVIL PENALTIES
7 NMLS #AK3030) AND
8 Respondent.) CONSENT TO ORDER
9)

10 The Department of Commerce, Community, and Economic Development, Division of
11 Banking and Securities (“Department”) has conducted an examination of the business
12 activities of Quicken Loans Inc. (“Respondent”) and has determined that the Respondent
13 violated certain provisions of AS 06.60 *et seq.* (the Alaska Secure and Fair Enforcement for
14 Mortgage Licensing Act of 2010 – the “Alaska SAFE Act”).

15 Respondent agrees that the Department has jurisdiction over Respondent and this
16 matter pursuant to the Alaska SAFE Act.

17 Respondent wishes to resolve and settle this matter with the Department. As
18 evidenced by the authorized signature on this Order, Respondent consents to the entry of this
19 Order imposing civil penalties based on the Conclusions of Law and Order. Respondent
20 waives its right to hearing under AS 44.62 *et seq.* (the Alaska Administrative Procedure Act)
21 and the Alaska SAFE Act.

22 **I. FACTS**

23 1. Respondent is a corporation organized under the laws of the State of Michigan, with its
24 principal place of business located at 1050 Woodward Avenue, Detroit, Michigan 48226. On

1 March 16, 2009, the Department issued an Alaska Mortgage Broker/Lender license to
2 Respondent. Respondent's unique identifier is AK3030.

3 2. On July 24, 2018, the Department participated in a Multi-State Mortgage Committee
4 Examination (the "Examination") of the Respondent, during which the Department conducted
5 a review of the registered branch locations of Respondent's mortgage loan originators (MLO).
6 The Examination focused on Respondent's business activity between from April 1, 2016 and
7 March 31, 2017. As of June 30, 2018, Respondent had 474 MLOs licensed in Alaska.

8 3. A mortgage licensee shall ensure that, if an MLO uses his or her home or other location
9 to conduct the majority of the MLO's activities, the MLO's home or other location is
10 registered as a branch office for the mortgage licensee.

11 4. During the Examination, the Department found that, between April 1, 2016 and March 31,
12 2017, 22 MLOs licensed in Alaska were conducting the majority of their origination activity
13 from their homes, which were not registered as branch offices. Respondent informed the
14 Department that, while Respondent generally requires its MLOs to work in an office,
15 Respondent allowed the 22 MLOs to work remotely. Respondent stated that it has decided to
16 not allow remote MLOs to originate home loans in Alaska and has surrendered those MLOs'
17 licenses in NMLS.

18 5. Respondent represents that the 22 licensed MLOs were supervised and monitored. There
19 was no evidence that a consumer complained or was harmed by a MLO performing origination
20 activities while working remotely and Respondent voluntarily surrendered the MLO licenses.

21 **II. CONCLUSIONS OF LAW**

22 1. Respondent violated AS 06.60.340, 3 AAC 14.425(k) and 3 AAC 14.515(9) by
23 allowing MLOs to conduct the majority of activities for which a license is required at
24 locations that were not the main office and not registered as branch offices.

1 2. Respondent violated 3 AAC 14.415(c) by failing to register the MLOs' homes as
2 branch offices for the mortgage licensee.

3 3. Respondent is subject to a civil penalty under AS 06.60.420 for violating AS
4 06.60.340, 3 AAC 14.415(c), 3 AAC 14.425(k) and 3 AAC 14.515(9).¹

5 **III. ORDER**

6 Pursuant to the Alaska SAFE Act and on the basis of the Findings of Fact,
7 Conclusions of Law, and Respondent's consent to the entry of this Order, the Department
8 ORDERS Respondent to:

9 1. Pay a civil penalty in the amount of \$11,000.00. This amount was calculated at \$500
10 for each of the 22 unregistered branch offices found during the examination of the
11 Respondent.

12 2. Comply with all provisions of the Alaska SAFE Act, including associated regulations.
13 This Order shall be publicly disclosed and is reportable to the NMLS.

14 **IT IS SO ORDERED.**

15 Mike Navarre, Commissioner
16 Department of Commerce, Community
and Economic Development

17
18 November 19, 2018
19 Date

/s/ Patrice Walsh
Patrice Walsh, Acting Director
Division of Banking and Securities

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24 ¹ 3 AAC 14.415, 3 AAC 14.425 and 3 AAC 15.515 were amended effective January 1, 2017.

**Consent to Entry of Order
Quicken Loans Inc.**

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3 I, Angelo V. Vitale , state that I am the E.V.P. and General Counsel of
4 Quicken Loans Inc. (“Respondent”); that I am authorized to act on its behalf; that I have read
5 the foregoing Order; and that I am aware of the right to a hearing and appeal in this matter,
6 and have waived the same.

7 Respondent admits to the jurisdiction of the Department of Commerce, Community
8 and Economic Development, Division of Banking and Securities (“Department”) and further
9 consents to entry of this Order by the Department as settlement of the issues contained in this
10 Order. Respondent admits violation of the Alaska SAFE Act.

11 Respondent understands that the Department reserves the right to take further actions
12 to enforce this Order or to take appropriate action upon discovery of other violations of the
13 Alaska SAFE Act, and that Respondent will fully comply with the terms and conditions of
14 this Order, the Alaska SAFE Act and associated regulations.

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1 Respondent enters into this Order voluntarily and understands that this Order is a
2 public document and is reportable to the NMLS.

3 11/9/2018
4 Date

/s/ Angelo V. Vitale
Quicken Loans Inc.

5 By: Angelo V. Vitale
6 Title: E.V.P. & General Counsel

7 SUBSCRIBED AND SWORN TO before me this 9th day of November, 2018 at
Detroit, Michigan.

8 Notary Public in and for Oakland County

9 /s/ Ashley Milgram
10 Notary Printed Name Ashley Milgram
My commission expires: July 26, 2024

11 Contact Person:
12 Tracy Reno
13 Acting Chief of Examinations
14 (907) 269-8812

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