

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Before the Director of the Department of Insurance and Financial Services

In the matter of:

Department of Insurance and Financial Services

Petitioner,

v

Enforcement Case No. 22-16996

EAPPROVE INC.

System ID No. 0127711

NMLS No. 1979303

Respondent.

ISSUED AND ENTERED

July 12, 2024

by Joseph A. Garcia

Special Deputy Director and General Counsel

FINAL DECISION

I. BACKGROUND

In July 2020, the Department of Insurance and Financial Services (DIFS) issued to EAPPROVE INC. (Respondent) a First Mortgage Broker license under the Mortgage Brokers, Lenders, and Servicers Licensing Act (MBLSLA), MCL 445.1651 *et seq.*

In 2022, DIFS staff issued an examination report of Respondent's mortgage broker business finding that Respondent had violated provisions of the MBLSLA. On October 4, 2022, DIFS staff issued to the Respondent a Notice of Opportunity to Show Compliance alleging Respondent violated the MBLSLA in the manner described by the examination report.

On May 24, 2023, DIFS staff and Respondent executed a settlement agreement which required Respondent to pay a market conduct fee of \$2,500.00. It also provided for other terms of compliance and set deadlines for the terms of the agreement.

The agreement provided that, in the event the Respondent failed to meet any of the requirements, the Respondent's mortgage license would be suspended, the market conduct fee would double, and DIFS would begin an administrative action to revoke the Respondent's license.

Respondent failed to satisfy the terms of the settlement agreement. On May 6, 2024, DIFS issued a Complaint and Opportunity for Hearing (Complaint), which was served upon the Respondent at the address it is required to maintain with DIFS. The Complaint required the Respondent to request a hearing or respond to the Complaint by May 30, 2024. The Respondent failed to take any required action. This matter has now proceeded to a final decision under the default provisions of Sections 72 and 78 of the Michigan Administrative Procedures Act, MCL 24.271 *et seq.* and the Michigan Administrative Code, R 792.10134(1).

II. FINDINGS OF FACT AND

The Statement of Factual Allegations contained in the Complaint are adopted in full and made part of this Final Decision.

III. CONCLUSIONS OF LAW

1. Respondent failed to ensure that borrowers were not charged more than the actual expenses incurred for originating mortgage loans.
2. By failing to ensure that borrowers were not charged more than the actual expenses incurred for originating mortgage loans, Respondent has violated Section 23(1) of the MBLSLA, MCL 445.1673(1).
3. Respondent failed to accurately report activity on multiple quarterly Mortgage Call Reports.
4. By failing to accurately report activity on multiple quarterly Mortgage Call Reports, Respondent has violated Section 21(3) of the MBLSLA, MCL 445.1671(3).
5. Section 29(2) of the MBLSLA, MCL 445.1679(2), provides that:

Subject to subsections (4) and (5), if the commissioner finds that a licensee or registrant, has violated, or directly or indirectly counseled, aided, or abetted in a violation, of this act or the rules promulgated under this act, the commissioner may do 1 or more of the following:

 - (a) Assess a civil fine against the licensee or registrant or a person who controls the licensee or registrant of not more than \$3,000.00 for each violation, except that the licensee or registrant or the person shall not be fined more than \$30,000.00 for a transaction resulting in more than 1 violation, plus the costs of investigation.
 - (b) Suspend or revoke a license or registration or refuse to issue a license or renew a license or registration.
 - (c) Require the licensee or registrant or a person who controls the licensee or registrant to make restitution to each injured individual, if the commissioner finds that the violation of this act or a rule promulgated under this act resulted in an injury to 1 or more individuals.

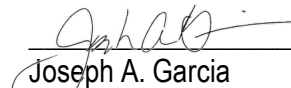
III. ORDER

Based on the foregoing, it is **ORDERED** that:

- A. Respondent shall immediately **CEASE AND DESIST** from violating the Mortgage Brokers, Lenders, and Servicers Licensing Act.
- B. Respondent's mortgage license (System ID No. 0127711) is **REVOKED**.
- C. Respondent shall pay a civil fine of \$5,000.00.

The Director retains jurisdiction over the matters contained herein and has the authority to issue such further orders as shall be deemed just, necessary, and appropriate in accordance with the Code.

Anita G. Fox, Director
For the Director:



Joseph A. Garcia
Special Deputy Director and General Counsel