

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS



**DEPARTMENT OF BUSINESS REGULATION
DIVISION OF BANKING
1511 PONTIAC AVENUE, BUILDING 69-2
CRANSTON, RI 02910
(401) 462-9503**

**IN THE MATTER OF:
TAYLOR, BEAN & WHITAKER MORTGAGE CORP.,
NMLS ID NUMBER 1087
ORDER REVOKING LENDER LICENSE
UNDER R. I. GEN. LAWS § 19-14-13.**

**EMERGENCY ORDER REVOKING LENDER LICENSE
AND NOTICE OF OPPORTUNITY FOR A HEARING**

1. Pursuant to R.I. Gen. Laws §§ 19-14-1 *et seq.* and 42-35-14, the Director (“Director”) of the Rhode Island Department of Business Regulation (“Department”) issues this Emergency Order (“Order”) Revoking Rhode Island Lender License Number 20011270LL of Taylor, Bean & Whitaker Mortgage Corp. (the “License”). This Order shall be effective upon issuance.

2. Upon receipt of a written request for a hearing within thirty (30) days of the date of this Order, a hearing officer will be appointed by the Director and the matter will be set down for hearing. The Director will promptly notify the Respondents of the time and place for any hearing. If no hearing is requested and none is ordered by the Director, this Order shall become permanent

thirty (30) days after entry and shall remain in effect unless or until it is modified or vacated by the Director or the Director's successor.

3. The Director makes the following findings of fact and conclusions of law with respect to entry of this Order:

A. Respondent is licensed as a lender pursuant to R.I. Gen. Laws § 19-14-1 *et seq.*

B. On or about August 6, 2009, the Division of Banking ("Division") of the Department received information that the Respondent failed to fund several mortgage transactions that were consummated involving properties located in Rhode Island. This information was confirmed with several State Banking Authorities ("Banking Authorities") via email on August 7, 2009.

C. On or about August 11, 2009 the Division received from Respondent an August 7, 2009 notice that on August 4, 2009, Respondent received notification from the U. S. Department of Housing and Urban Development ("HUD") Freddie Mac and Ginnie Mac (the "Agencies") that Respondent's status as an approved seller and/or servicer for each of the those respective Agencies was being terminated and/or suspended. The Agencies actions were taken based upon the findings that included without limitation the following:

- i. Respondent's failure to timely submit the required financial audit report of its financial condition;
- ii. Respondent's submission a false certification and/or misleading information to Ginnie Mac;
- iii. Respondent's failure to report irregularities in connection its FY 2008 Audit;
- iv. Respondent's failure to report irregularities in connection with its loan origination practices;
- v. Respondent's submission of false certifications to HUD on its Yearly Verification Report; and
- vi. The suspension of Respondent's FHA approval.

The August 7, 2009 notice also stated that Respondent ceased all origination operations effective immediately and would not be able to close or fund any mortgage loans in its pipeline.

D. Several of the Banking Authorities have issued enforcement actions against respondent as a result of the actions taken by the Agencies and Respondent's inability to close or fund any mortgage loans in its pipeline.

E. On or about August 14, 2009 Respondent submitted to the Banking Authorities a pipeline report detailing all Rhode Island loans affected by Respondent's failure to fund the loans. Respondent reported a total of one hundred fourteen (114) Rhode Island loans in various stages of application including about twenty-nine (29) that were cleared to close, about Thirty-five (35) that were locked, about six (6) that with a status of redisclosure, about thirty-two (32) in underwriting, eleven (11) table funded, and one (1) with no status.

F. It is the position of the Department that Respondent has demonstrated a level of incompetence and untrustworthiness to act as a licensee pursuant to R. I. Gen. Laws § 19-14-1 *et seq.* Furthermore, it is unclear how many Rhode Island consumers are or will be affected by the Respondent's failure and/or inability to fund loans.

G. Therefore, the fact that Respondent has been unable to close and fund loans demonstrates Respondent's incompetence. Furthermore, the inability to close and fund loans constitutes sufficient grounds for revocation of Respondent's License pursuant to R. I. Gen. Laws §§ 19-14-13(a)(1), (3), (4), (5) and (7). Additionally, Respondent's failure to fund consummated loans is evidence of potential harm to Rhode Island consumers who are relying on Respondent's funds to fulfill contractual obligations related to the loans.

H. It is necessary to take emergency action in order to protect consumers from the harm caused by Respondent's inability to fund loans and complete pending loan applications and to prevent further harm to consumers who may be relying upon Respondent's license to effectuate future financial transactions. Therefore, the protection of the public welfare, the integrity of the financial marketplace imperatively requires emergency action pursuant to R. I. Gen. Laws § 42-35-14(c).

WHEREFORE, based on the foregoing, the Director finds that due to the seriousness of the violations attributed to Respondent in this Order, the public safety and welfare imperatively requires the issuance of this Order.

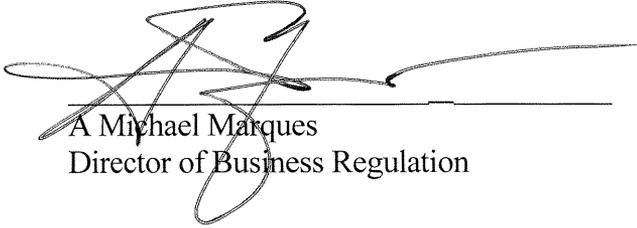
Accordingly, it is hereby ORDERED that Respondent:

- b. Loans that have been approved but that have not closed;
 - c. Applications taken that been received, but no decision has been made;
 - d. The identity of the Rhode Island licensed Lender to whom the file and fees have been transferred; and
 - e. The amount of any prepaid fees submitted by the applicant.
7. Provide updated information to State Chief Bank Examiner Cayouette on a weekly basis until all loans relative to Rhode Island consumers and residential property have been funded, transferred to a Rhode Island licensed Lender, or withdrawn by the applicant. Updates shall be submitted every Wednesday at 10:00 a.m. EST.
 8. Immediately surrender the original License to the Division.
 9. Release any liens filed on any Rhode Island real property as a result of a residential mortgage closing with Respondent where the loans were not funded. In the event that Respondent subsequently funds a loan, Respondent may file a lien against the property at that time.
 10. Provide updated contact information for an employee of Respondent that the Division may contact with questions as well as contact information for any employee of Respondent that consumers and mortgage brokers may contact with questions.
 11. Nothing in this Order shall prevent Respondent from selling or assigning residential mortgage loans to another entity, servicing mortgage loans, or engaging in any other activity not prohibited by R. I. Gen. Laws § 19-14-1 *et seq.* or this Order.
 12. On or before August 31, 2009, file a Final Annual Report (available on the Department's website at www.dbr.ri.gov) for the License along with any applicable filing fees and late filing penalties.
 13. On or before August 31, 2009 and by the fifteenth (15th) day of each subsequent month submit to the Division a balance sheet and year-to-date statement of income and expenses, both prepared in accordance with Generally Accepted Accounting Principles, for the immediately preceding month. The balance sheet and statement of income and expenses shall be submitted to the Division until all

loans relative to Rhode Island consumers and residential property have been funded, transferred to a Rhode Island licensed Lender, or withdrawn by the applicant.

14. Nothing in this Order shall prevent the Division or any other authority from taking any further administrative or enforcement action under applicable law or regulation.

ENTERED AS ADMINISTRATIVE ORDER NUMBER 09-204 OF THE DIRECTOR OF THE DEPARTMENT OF BUSINESS REGULATION AS OF THIS 20th DAY OF AUGUST 2009.



A. Michael Marques
Director of Business Regulation

THE DIRECTOR RESERVES THE RIGHT TO PUBLISH A NOTICE OF THIS ORDER IN A NEWSPAPER OF GENERAL CIRCULATION IN THE STATE OF RHODE ISLAND.

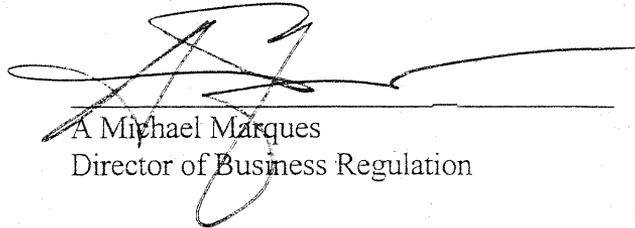
CERTIFICATION

I hereby certify on this ____ day of August 2009, that a copy of the within Order was mailed by certified mail to Raymond Edward Bowman, President, 315 NE 14th Street, Ocala, FL 34470. Jeffrey W. Cavender, General Counsel, Taylor, Bean & Whitaker Mortgage Corp., 515 Stilesboro Road, Suite 500, Building 500, Kennesaw, GA 30152 and, to CT Corporation System, Agent for Services Re: Taylor, Bean & Whitaker Mortgage Corp., 155 South Main Street, Suite 301, Providence, RI 02903. This Order was also emailed to Raymond Edward Bowman, President @ rbowman@taylorbean.com and to Jeffrey W. Cavender @ jcavender@taylorbean.com

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R B Ellison