

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF BANKING**

IN THE MATTER OF:

JOHN GUMRO LOAN MODIFICATION SERVICES) No. 2010-MBR-CD17
3551 W. Belleplaine Ave.)
Unit #4)
Chicago, Illinois 60618)
)

ORDER TO CEASE AND DESIST & ASSESSING FINE

The Illinois Department of Financial and Professional Regulation, Division of Banking (“Department”) hereby issues to John Gumro Loan Modification Services (“JGLMS”) this ORDER TO CEASE AND DESIST & ASSESSING FINE (“Order”). This Order is authorized by and issued pursuant to the provisions of Sections 1-3(d-1) & (e) and 4-1 (h-1) of the Residential Mortgage License Act of 1987 (“RMLA”) [205 ILCS 635].

FINDINGS OF FACT

The Department makes the following Findings of Fact:

1. That RMLA Section 1-3(a) requires any person, partnership, association, corporation or other entity to obtain an Illinois residential mortgage license to engage in the business of brokering, funding, originating, servicing, or purchasing of residential mortgage loans;
2. That the RMLA was amended by P.A. 96-0112, effective July 31, 2009 to enact changes for mortgage loan originators required by the federal Secure and Fair Enforcement Act for Mortgage Licensing Act of 2008 (“SAFE Act”);
3. That the U.S. Department of Housing and Urban Development (“HUD”) published on December 15, 2009 “SAFE Mortgage Licensing Act: HUD Responsibilities Under the SAFE Act; Proposed Rule” in which HUD expressed the view that third-party loan modification specialists should be covered by the licensing requirements of the SAFE Act; the Proposed Rule is subject to public comment and final adoption, but provisions of the SAFE Act has been amended

into the RMLA and states are permitted to exceed the minimum requirements of the SAFE Act;

4. That the Department has received numerous and increasing complaints from consumers and others of companies and individuals taking up-front or excessive fees from consumers and providing incomplete or unsuccessful delivery of loan modification services;
5. That the Department has determined that the RMLA as amended by the SAFE Act provisions of P.A. 96-0112 authorize the licensing and regulation of residential loan modification services as a loan brokering and mortgage loan originator activities;
6. That the Department has posted two public notifications on its website www.idfpr.com consisting of a "Statement Regarding Loan Modification Services" and a "Statement Regarding Attorneys Performing Mortgage Loan Modifications;"
7. That the Department identified JGLMS through a complaint made by a consumer at the Department's Mortgage Relief Project on 10/25/2010; the complainant stated that John Gumro ("Gumro") acting on behalf of JGLMS had solicited complainant to enter into a "workable solutions package" with a \$2,000 fee for the loan modification; complainant stated that he made and/or attempted to make payments requested by Gumro for JGLMS, including payment of \$300-\$350 upfront initially in cash and placing a \$1,000 charge on complainant's credit card to another affiliated entity; complainant further stated that JGLMS through Gumro later provided complainant with a false loan modification approval form from the lender; complainant was subsequently told by the lender that the approval form was bogus and that complainant cancelled the charge to the credit card and filed a complaint; the Department investigated the complaint conducting interviews and collecting documentation and found evidence that JGLMS, an unlicensed entity, engaged in at least eight loan modification activities on behalf of consumers;
8. That no person, partnership, association, corporation, or other entity except a licensee under RMLA or an entity exempt from licensing pursuant to Section 1-4, subsection (d) of RMLA shall do any business under any name or title, or circulate or use any advertising or make any representation or give any information to any person, which indicates or reasonably implies activity within the scope of RMLA; and
9. That the Department has reasonable cause to believe that an unsafe, unsound, or unlawful practice has occurred, is occurring, or is about to occur in JGLMS providing loan modification services as an unlicensed entity and that JGLMS has committed a business offense.

CONCLUSIONS OF LAW

Based on the Findings of Fact, the Department makes the following Conclusions of Law:

John Gumro Loan Modification Services has violated RMLA Sections 1-3(a), (d-1), and (e), 4-1(h-1), 7-1, and 7-1A and Section 1050.310(a) of the rules promulgated under the RMLA by performing loan modification services without holding an Illinois residential mortgage license and without employing individuals licensed or registered as mortgage loan originators to perform those services for Illinois homeowners.

NOW THEREFORE IT IS HEREBY ORDERED:

John Gumro Loan Modification Services by and through its owners, officers, directors, employees, and agents, shall immediately cease and desist from performing loan modification services and is assessed a fine in the amount of \$25,000 for violating the Act and Rules as cited herein payable by certified check or money order within thirty (30) days of the effective date of this order to the:

**Department of Financial and Professional Regulation
Division of Banking
ATTN: FISCAL DIVISION
320 West Washington, 6th Floor
Springfield, IL 62786**

ORDERED THIS ____ DAY OF _____, 2010

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
BRENT E. ADAMS, SECRETARY
DIVISION OF BANKING

JORGE A. SOLIS, DIRECTOR

You are hereby notified that this Order is an administrative decision. Pursuant to 205 ILCS 635/4-12 and 38 Ill. Adm. Code 1050.1510 *et seq.* any party may file a request for a hearing on an administrative decision. The request for a hearing and \$500 hearing fee shall be filed within 10 days after the receipt of an administrative decision. The request for hearing must include an explicit admission, denial or appropriate response to each allegation or issue contained in the administrative decision pursuant to 38 Ill. Adm. Code 1050.1570. A hearing shall be held on the administrative decision by the Department of Financial and Professional Regulation, Division of Banking. Absent a request for a hearing, this Order shall constitute a final administrative Order subject to the Administrative Review Law [735 ILCS 5/3-101 *et seq.*].

State of Illinois (
 (ss:
 County of Cook (

The undersigned, being duly sworn on oath, states that on ____/____/____, I mailed with sufficient postage affixed, a copy of the foregoing **ORDER TO CEASE AND DESIST & ASSESSING FINE** by regular and certified mail, return receipt requested at 122 S. Michigan Avenue, Suite 1900, Chicago, Illinois 60603, to the address of the Licensee registered with IDFPR Division of Banking listed below:

AFFIANT

Subscribed and sworn to before me,

this ____ day of _____, 2010

NOTARY PUBLIC

MAIL TO:

JOHN GUMRO LOAN MODIFICATION SERVICES
3551 W. Belleplaine Ave.
Unit #4
Chicago, Illinois 60618

SERIAL #7008 0500 0000 9231 2339