

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:)
)
) No. 2024-MBR-07
VIRTUAL MORTGAGE SOLUTIONS, INC.)
License No. MB. 6761365, NMLS ID 1747185)
Attention: Jeffrey Pearce)
1269 B Cedar Road)
New Lenox, IL 60451)

ORDER ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF BANKING (“Department”), having investigated the activities of **VIRTUAL MORTGAGE SOLUTIONS INC. (“VIRTUAL MORTGAGE”)** pursuant to the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635] and the rules promulgated under the Act (“Rules”) [38 Ill. Adm. Code 1050], hereby issues this **ORDER ASSESSING FINE**.

STATUTORY PROVISIONS

1. Section 2-4 of the Act lists prohibited acts and practices for licensees. It is a violation of the Act to: (t) fail to comply with the provisions of the Act or with any lawful order, rule or regulation made or issued under the provisions of the Act.
2. Section 4-1(h)(1) of the Act grants the Director of the Division of Banking (“Director”) the authority to issue orders against any person, if the Director has reasonable cause to believe that an unsafe, unsound, or unlawful practice has occurred, is occurring, or is about to occur, if any person has violated, is violating, or is about to violate any law, rule, or written agreement with the Director, or for the purpose of administering the provisions of the Act and any rule adopted in accordance with the Act.
3. Section 4-5(h)(5) of the Act provides that when the Director finds any person in violation of the grounds set forth in subsection (i), the Director may enter an order imposing a fine not to exceed \$25,000 for each count of a separate offense.
4. Section 4-5(i) of the Act sets forth a list of acts that constitute grounds for which the disciplinary actions specified in subsection (h) above may be taken, including, among others: (2) fraud, misrepresentation, deceit, or negligence in any mortgage financing transaction; (11) failure to comply with the Rules; and (17) failure to comply with any provisions of the Act.

5. Section 4-5(j) of the Act provides that a licensee shall be subject to the disciplinary actions specified in the Act for violations of Section 4-5(i) by any officer, director, shareholder, joint venture, partner, ultimate equitable owner, or employee of the licensee.
6. Section 1050.1350 of the Rules governs the actions of a licensee as to loan commitment and closing procedures, and requires the licensee to comply with applicable Federal and State statutes and regulations, including but not limited to the following: c) Consumer Fraud and Deceptive Business Practices Act [815 ILCS 505]; and e) The Real Estate Settlement Procedure Act of 1974 (12 USC 2601) as implemented by Regulation X (12 CFR 1024) (2017).

FACTUAL FINDINGS

7. VIRTUAL MORTGAGE is an Illinois residential mortgage licensee holding license number MB.6761365 (“License”).
8. In November 2023, the Department received a complaint concerning Elizabeth Thompson, a Mortgage Loan Originator (“MLO”) licensed in Illinois (“Complaint”). Elizabeth Thompson’s (“Thompson”) MLO License is sponsored by and she is an employee of VIRTUAL MORTGAGE.
9. In the course of the Department’s investigation of the Complaint, it was determined that a control person for VIRTUAL MORTGAGE was informed of and confirmed the fact that Thompson, as its employee, made an offer to a mortgage applicant to repay or reimburse certain costs and fees to the customer after and outside of the closing, a clear violation of RESPA and Regulation X.
10. Specifically, following the closing of a loan on November 3, 2023, a borrower complained to the owner of VIRTUAL MORTGAGE that Thompson had failed to reimburse the above-described costs and fees.
11. As the employer of Thompson, VIRTUAL MORTGAGE is responsible for violations of the Act committed by its employee.
12. Despite having direct knowledge through its control person, VIRTUAL MORTGAGE failed to make any report of Thompson’s unlawful and inappropriate promise to the Department or any other authority and failed to take any action against Thompson.

LEGAL CONCLUSIONS

13. VIRTUAL MORTGAGE has violated Sections 2-4(t), 4-5(i)(2), (11), (17), of the Act and Section 1050.1350 of the Rules.

NOW IT IS HEREBY ORDERED THAT,

The Department assesses a FINE against VIRTUAL MORTGAGE SOLUTIONS, INC. in the amount of \$1,700.00 pursuant to Section 4-5(h)(5), 4-1(h)(1) and 4-5(j) of the Act. The fine shall be submitted to the Department within 30 days of the Date of this Order through the Nationwide Multistate Licensing System.

ORDERED THIS 11th DAY OF OCTOBER 2024

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF BANKING

A black rectangular redaction box covers the signature of the Acting Director.

SUSANA SORIANO
ACTING DIRECTOR

You are hereby notified that this Order is an administrative decision. Pursuant to Section 4-12 of the Illinois Residential Mortgage License Act [205 ILCS 635/4-12] and the rules promulgated thereunder on Hearings Before the Division of Banking and Division of Financial Institutions [38 Ill. Adm. Code 100.5 *et seq.*], an affected party may file a petition for a hearing on an administrative decision by the Director. The petition for a hearing must be filed within 10 days after service of this Order by mail to the Department at 555 W. Monroe St., Suite 500, Chicago, IL 60661, Attn: Angela Alexandrakis with an electronic copy by email to Angela.Alexandrakis@illinois.gov and fpr.doblegal@illinois.gov. The petition for hearing must be in writing and set forth the petitioner's license number, docket number of the administrative decision that resulted in discipline, and date of the administrative decision, pursuant to 38 Ill. Adm. Code 100.30(c). An MB that requests a hearing shall pay a \$500 nonrefundable fee to the Department in accordance with 38 Ill. Adm. Code 1050.210(f). After receipt of a properly completed and timely petition for hearing, a case will be docketed and notice sent to the petitioner setting forth the date, time, and place of the hearing. Absent a petition for a hearing, this Order shall constitute a final administrative decision subject to the Administrative Review Law [735 ILCS 5/3-101 *et seq.*].