

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

IN THE MATTER OF:	)	
	)	
<b>UMORTGAGE, LLC</b>	)	2025-MBR-02
License No. MB. 6761271; NMLS ID 1457759	)	
Attention: Joy Santarelli	)	
100 N. 18th Street, Suite 1400	)	
Philadelphia, PA 19103	)	
	)	

**ORDER SUSPENDING LICENSE AND ASSESSING FINE (CORRECTED)**

THE DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF BANKING (“Department”), having conducted an examination and investigation of **UMORTGAGE, LLC** (“**UMORTGAGE**”), 100 N. 18th Street, Suite 1400, Philadelphia, PA 19103, and having found violations of the Residential Mortgage License Act of 1987 (“Act”) [205 ILCS 635], the rules promulgated thereunder (“Rules”) [38 Ill. Adm. Code 1050], [205 ILCS 5], and the Residential Real Property Disclosure Act (“RRPDA”) [765 ILCS 77], hereby issues this **ORDER SUSPENDING LICENSE AND ASSESSING FINE**.

**STATUTORY PROVISIONS**

1. Section 1-3(f) of the Act provides, in part, that each office, place of business or location at which a residential mortgage licensee conducts any part of his or her business must be recorded with the Department pursuant to Section 2-8 of the Act.
2. Section 2-1 of the Act provides that for a Licensee name (a) No person, partnership, association, corporation, limited liability company, or other entity engaged in the business regulated by this Act shall operate such business under a name other than the real names of the entity and individuals conducting such business. Such business may in addition operate under an assumed corporate name pursuant to the Business Corporation Act of 1983, an assumed limited liability company name pursuant to the Limited Liability Company Act, or an assumed business name pursuant to the Assumed Business Name Act.  
(b) A knowing violation of this Section constitutes an unlawful practice within the meaning of this Act, and in addition to the administrative relief available under this Act, may be prosecuted for the commission of a Class A misdemeanor. A person who is convicted of a second or subsequent violation of this Section is guilty of a Class 4 felony.
3. Section 2-4 of the Act lists prohibited acts and practices for licensees. It is a violation of the Act to; (d) fail to file with the Secretary any report or reports which it is required to file under any of the provisions of the Act; (r) demonstrate by course of conduct, negligence or

incompetence in performing any act for which it is required to hold a license; and (t) fail to comply with the Act and Rules.

4. Section 2-8 of the Act provides, in part, that a licensee may apply for authority to open and maintain additional full service offices by giving the Department prior notice of its intention in such form as prescribed by the Department and payment of a fee as established by rule.
5. Section 3-3 of the Act provides in pertinent part that mortgage loan advertisements by a licensee must reference the Nationwide Multistate Licensing System and Registry's ("NMLS") Consumer Access website.
6. Section 3-4 of the Act provides that a licensee establishing an office in Illinois shall maintain a full service office as defined in Section 1-4(r) of the Act, with staff reasonably adequate to handle efficiently communications, questions, and all other matters relating to any application for a home mortgage or an existing home mortgage for which it is providing services for any borrower, lender, or other specified party. Subsection (a) states that offices shall not be located in any real estate, retail, or financial business establishment, unless separated from the other business by a separate and distinct area within the establishment.
7. Section 4-1(h-1) of the Act provides that the Secretary may issue orders against any person if the Secretary 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 Secretary, or for the purposes of administering the provisions of the Act and Rules.
8. Section 4-5 of the Act provides that when the Department finds any person in violation of the grounds set forth in subsection (i), the Department may enter an order revoking a license as authorized by subsection (h)(1). A licensee violates Section 4-5(i) of the Act due to; (12) engaging in activities regulated by this Act without a current, active license unless specifically exempted by this Act; (17) failure to comply with or violation of any provision of the Act; and (18) failure to comply with or violation of any provision of Article 3 of the Residential Real Property Disclosure Act (RRPDA).
9. Section 4-5 of the Act, subsection (h)(2), provides for suspension of a license subject to reinstatement upon satisfying all reasonable conditions the Commissioner may specify.
10. Section 4-5 of the Act, subsection (h)(5), provides that when the Director of the Division of Banking ("Director") finds any person in violation of the grounds set forth in subsection (i), the Director may enter an order imposing a fine of up to \$25,000 for each count of a separate offense.
11. Section 5-11 of the Act requires licensees to provide to the borrower a complete copy of any appraisal, including any appraisal generated using the Automated Valuation Model, obtained by the lender for use in underwriting the residential mortgage loan within 3 business days of receipt by the licensee, but in no event less than 24 hours prior to the day of closing. The appraisal may be sent via first class mail, commercial carrier, by facsimile or by e-mail, if the borrower has supplied an e-mail address.

12. Section 70 of the RRPDA requires mortgage brokers or loan originators to submit to the Anti-Predatory Lending Database (“APLD”) all of the information required under RRPDA Section 72 for any mortgage on property within the program area of Cook, Kane, Peoria, and Will counties. Information must be entered within 10 business days after taking a mortgage loan application.
13. Section 1050.350 of the Rules provides that each licensee that intends to operate and maintain an additional full-service office shall file a Notice of Intent to Establish an Additional Full-Service Office, on a form prescribed by the Director, 30 days prior to the proposed operation of the additional office.
14. Section 1050.410 of the Rules, subsection (a), states that, except as provided in subsection (c), each licensee shall maintain net worth of not less than \$150,000.
15. Section 1050.940 of the Rules provides that any advertisement appearing in Illinois by a licensee regarding residential mortgage loans, whether via electronic or print media, including mailings to individual potential residential mortgage loan customers, shall include, in a manner that is clear and conspicuous to the consumer:
  - a) The NMLS Consumer Access homepage ([www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org)). For electronic media, the licensee shall use the phrase "For licensing information, go to: [www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org)." and b) The NMLS Unique Identifier of the licensee. If a Mortgage Loan Originator (MLO) is advertised, the licensee must include its MLO employee's individual NMLS Unique Identifier, in addition to the licensee's NMLS Unique Identifier.
16. Section 1050.1020(b) of the Rules provides that the Loan Brokerage Disclosure Statement provided to a borrower shall prominently display the following material, in the order presented: the name under which the entity is licensed under the Act, any other names under which the licensee has engaged in activities regulated by the Act, even if not licensed under the current or predecessor Act, during the preceding 10 years and, if applicable, the name of the parent or affiliated company.
17. Section 1050.1175 of the Rules requires a licensee engaged in loan brokerage or loan origination to maintain a Loan Log for each residential mortgage loan application. The loan log contains 16 required fields of information. All information provided must be accurate and updated to remain current.
18. Section 1050.1177 of the Rules states that all licensees engaged in loan brokering or originating shall maintain a loan application file for each loan application that contains certain information such as the Loan Brokerage Agreement and appraisal and all other documents in or related to the loan file.
19. Section 1050.1335 of the Rules, subsection (a)(2)(A) states that a Rate-Lock Fee Agreement shall be in writing and signed by both the licensee and prospective borrower and provided to prospective borrowers regardless of whether a fee is collected or the interest rate is locked or floating. Section (a)(2)(B) states the Rate-Lock Fee Agreement

shall state all of the following: i) The expiration date of the Rate-Lock Fee Agreement; ii) The amount of the loan; iii) The maximum interest rate of the loan; iv) The term of the loan; v) The maximum discount (points) to be paid; and vi) That the interest rate is locked or the interest rate is floating.

### **FACTUAL FINDINGS**

20. UMORTGAGE is a residential mortgage licensee holding Illinois Residential Mortgage License Number MB.6761271 since August 25, 2017.
21. On May 19, 2023, the Department commenced a regular examination of UMORTGAGE for the examination period covering May 1, 2020 to April 30, 2023 (“Examination”).
22. In its Report of Examination, the Department found several violations, including that UMORTGAGE:
  - a. failed to obtain licensure with the Department before operating its branch location in Downers Grove, Illinois. The exam finding shows that at least three loans were originated from this branch location without a license;
  - b. failed to input loan applications into the APLD within the required 10 business days, specifically the loan application dated May 13, 2021, for the property located on 99<sup>th</sup> St in Oak Lawn, was entered over five months late, and the loan application dated March 9, 2023, for the property located on Sunset Lane in Franklin Park, was entered five days late;
  - c. failed to properly complete the Loan Brokerage Disclosure Statements, specifically the disclosure statements for J.K. and Z.B. left blank the following three sections: the name of the company, other names under which licensee engaged in licensed activities during the last ten years, and the names of any parent or affiliated companies;
  - d. failed to fully and sufficiently complete its loan log with required information, specifically including the following: the borrower name or names, the borrower’s employer name, the property seller’s name, the loan amount, the APR program, the processors names, the appraiser names, the appraiser license numbers, the loan closer name and employer name, and the loan closing location;
  - e. failed to include required documents in loan files, specifically the D.C. loan file was missing the initial 1003 loan application as well as the Notice of Adverse Action, the J.K. and Z.B. files were missing the appraisal reports, and the T.R. file was missing all of the following: the Borrower Information Document, the Loan Brokerage Agreement, the Loan Brokerage Disclosure Statement, the Rate Lock Fee Agreement, and the Payoff Letter;
  - f. failed to include the Licensee’s NMLS number and the NMLS registry’s consumer access link on marketing materials;

- g. failed to sufficiently include all data in Rate Lock Fee Agreements, specifically the Rate Lock Fee Agreement in the S.B. file was missing the borrower's signature and MLO's signature, the Rate Lock Fee Agreements in the J.K. and Z.B. files were missing the MLO's signature, and the Rate Lock Fee Agreement in the N.L. file was missing the borrower's signature; and
  - h. failed to maintain the required net worth of \$150,000 at all times, specifically the net worth calculation for FY 2022 was \$270,722.00 deficient, and the net worth calculation for FY 2020 was \$1,026 deficient. UMORTGAGE was specifically requested to produce bank statements for these periods to verify cash balances but failed to do so.
23. On January 27, 2023, the Department opened an investigation into reported misconduct in connection with UMORTGAGE's business practices and activities.
24. The Department confirmed what was found in the Examination that UMORTGAGE submitted a Branch Form (MU3) Filing for the Downers Grove additional full service office ("Branch") to other states without previously requesting an Illinois license for this location. UMORTGAGE belatedly submitted its Illinois MU3 for the Branch. During that unlicensed time period, UMORTGAGE originated three Illinois loans.
25. Once the Branch was licensed in Illinois, UMORTGAGE submitted a request to amend the address of the Branch from Downers Grove to a location in Geneva, Illinois. The Department found that at the new location there was no signage for UMORTGAGE on the outside of the building or in the inside, shared space, and that the shared office space is not adequate for consumer communications as there are minimal private areas to carry on a conversation about sensitive financial data, all in violation of the Act.
26. UMORTGAGE improperly used a Trade Name on its website, IronBank Mortgage, a name that was never registered with NMLS or the Illinois Secretary of State.

### LEGAL CONCLUSIONS

27. UMORTGAGE is in violation of Sections 1-3(f), 2-1, 2-4 (d), (r), and (t), 2-8, 2-9, 3-3, 3-4, 4-1(h-1), 4-5(i)(12), (17), and (18), 5-11, of the Act; Sections 1050.350, 1050.410, 1050.940, 1050.1020, 1050.1175, 1050.1177, and 1050.1335(a)(2)(A) of the Rules.
28. UMORTGAGE is in violation of Section 77/70(c) of the Residential Real Property Disclosure Act.

### NOW IT IS HEREBY ORDERED THAT,

1. The Department **SUSPENDS** UMORTGAGE, LLC'S Illinois Residential Mortgage License No. MB. 6761271 for a period of 15 days from the Effective Date of this Order pursuant to Section 4-5(h)(2) of the Act.

2. The Department assesses a **FINE** against UMORTGAGE in the amount of \$100,000 pursuant to Section 4-5(h)(5) of the Act for violation of the aforementioned Act and Rules sections. Licensee must submit payment to the Department through NMLS in the amount of \$100,000. Payment shall be submitted within 30 days of the Effective Date of this Order.

ORDERED THIS 11 DAY OF FEBRUARY 2025.

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
DIVISION OF BANKING



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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](mailto:Angela.Alexandrakis@illinois.gov) and [fpr.doblelegal@illinois.gov](mailto:fpr.doblelegal@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). Each party that requests a hearing shall pay a \$500 nonrefundable fee to the Department in accordance with 38 Ill. Adm. Code 100.20. 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.*].**