

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF BANKING

IN THE MATTER OF:)
)
DESTINY MORTGAGE GROUP, INC.) No. 2014-MBR-03
)
License No. MB.6760618)
Attention: Joseph Shagena)
606 Bosley Avenue)
Ste. E 1st Floor)
Towson, MD 21204)

ORDER ASSESSING FINE

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, Division of Banking (“Department”), having conducted an investigation of Destiny Mortgage Group, Inc. (“Destiny Mortgage”) and having documented violations of 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 for violations of Act and the Rules. The Department has further documented violations of the Residential Real Property Disclosure Act (“RRPDA”) [765 ILCS 77].

STATUTORY PROVISIONS

1. Section 2-4 of Act, in part, provides that the licensee aver to keep and maintain for 36 months the same written records as required by the federal Equal Credit Opportunity Act and any other information required by the regulations of the Department regarding any home mortgage in the course of the conduct of its residential mortgage business, and to not knowingly hire or employ a mortgage loan originator who is not licensed with the Department as required under Section 7-1A of the Act.
2. Section 4-1(h-1) grants the Department the authority to 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 purpose of administering the provisions of this Act and any rule adopted in accordance with the Act.
3. Section 4-5 of the Act states, in part, the following acts shall constitute grounds for disciplinary action which include: violating any provision of this Act or rule promulgated under this Act, or failure to comply with or any violation of any provision of Article III of the RRPDA.
4. Section 4-5(h)(5) of the Act provides for the imposition of a fine not to exceed \$25,000 for each count of separate offense.

5. Section 7-1A of the Act prohibits an individual from acting or assuming to act as a mortgage loan originator without a license.
6. 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 for any mortgage on property within the program area. Information must be entered within 10 days after taking a mortgage loan application.
7. Section 72 of the RRPDA specifies the required information to be entered into the APLD, including the name of the mortgage loan originator taking the loan application.
8. Section 1050.480 of the Rules, in part, provides that each licensee that at least 10 days before the proposed effective date of an address change, the licensee shall file with the Department a completed Application for Change of Address on the prescribed form and with the fee required in Section 1050.210 of the Rules.
9. Section 1050.1175 of the Rules requires a licensee engaged in loan brokerage or loan origination to maintain a Loan Log with required information for each residential mortgage loan application, including the name of the mortgage loan originator taking the loan application.

FACTUAL FINDINGS

10. Destiny Mortgage, with its principal place of business at 606 Bosley Avenue, Ste. E 1st Floor, Towson, Maryland 21204 holds Illinois residential mortgage license number MB.6760618 (“License”). According to Department licensing records, Destiny Mortgage is 100% engaged in the activity of brokering Illinois residential mortgage loans. Destiny Mortgage sponsors and employs Illinois-licensed mortgage loan originators (“MLOs”) for its loan brokering services. Scott Gimbel holds Illinois MLO License No. 031.0030924 and is sponsored under Destiny Mortgage’s License. Destiny Mortgage also has maintained and licensed a full service office at various locations in the Chicago metropolitan area. The Department last updated the location of this full service office on September 26, 2013 to the address of 6650 N. Northwest Highway, Suite 106, Chicago, Illinois 60706.
11. The Department was advised on September 3, 2013 that The Gimbel Group, Inc. (“Gimbel Group”) and Scott Gimbel (“Gimbel”), as its President, were conducting types of financing business including mortgage activities connected to an office located at 25 E. Superior, Unit 1302, Chicago, Illinois 60611.
12. The Department found the Gimbel Group and Gimbel advertising Illinois residential mortgage broker and MLO services on Internet websites including at www.Thegimbelgroup.com to Illinois borrowers. Gimbel listed his MLO License on said website without reference to Destiny Mortgage or any sponsoring Illinois Residential Mortgage Licensee.
13. Through a review of records and interviews of borrowers, the Department found that an unlicensed individual Linda Sachs-Gimbel (“Sachs-Gimbel”) had conducted MLO activities with three Illinois borrowers G.W., K.C., and D.M.. The loan applications originated by Sachs-Gimbel were later forwarded to Destiny Mortgage under Gimbel’s name as the MLO. Destiny listed Gimbel as the MLO for these three loans in its loan log.

14. Through a review of the Illinois Anti-Predatory Lending Database (“APLD”), the Department further found that Destiny Mortgage had failed to enter 35 Illinois loans into the APLD, entered 32 loans after ten days, and entered an MLO name differing from Destiny’s loan log for 12 loans.
15. The Department found that Destiny failed to resubmit its change of address fee in an acceptable payment instrument regarding the 2009 change of address application for its Illinois branch office from 2050 W. Belmont, Chicago, Illinois to 4501 N. Cumberland, Norridge, Illinois; the Department found that Destiny failed to submit a change of address application as required regarding the 2013 change of address for its Illinois branch office from 6650 N. Northwest Hwy., Chicago, Illinois to 5440 N. Cumberland, Chicago, Illinois.

LEGAL CONCLUSIONS

BASED UPON THE ABOVE FACTUAL FINDINGS, THE DEPARTMENT IS OF THE OPINION AND CONCLUDES

16. Destiny Mortgage has violated Sections 2-4(c) & (z) (3 violations each) of the Act, Sections 1050.480 and 1050.1175 (3 violations) of the Rules, and Sections 77/70(c) (67 violations) and 77/72(4) (12 violations) of the RRPDA. These are further violations of Sections 4-5(i)(11), (17) & (18) of the Act.

NOW IT IS HEREBY ORDERED THAT,

1. The Department assesses a **FINE** against Destiny pursuant to Sections 4-1(h-1) and 4-5(h)(5) in the amount of \$54,500 (\$1,000 per violation of the Act and Rules and \$500 per violation of the RRPDA). The fine is 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
Attention: FISCAL DIVISION
320 W. Washington, 5th Floor
Springfield, Illinois 62786.**

ORDERED THIS 4TH DAY OF FEBRUARY, 2014

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
MANUEL FLORES, ACTING SECRETARY

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 by certified check or money order shall be filed with the Department at 320 West Washington Street, 5th Floor, Springfield, IL 62786 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].