

STATE OF NEW JERSEY



SEP 4 2015

DEPARTMENT OF BANKING AND INSURANCE DIVISION OF BANKING

CONSENT ORDER NO. E15-016270

IN THE MATTER OF:)	
VIRTUE FUNDING, LLC)	CONSENT ORDER
NMLS #: 1015993)	
EDWARD F. KOSTER)	
VIRTUE FUNDING, LLC)	
3322 ROUTE 22 WEST, SUITE 1402)	
BRANCHBURG, NJ 08876)	
EDWARD F. KOSTER)	
VIRTUE FUNDING, LLC)	
75 MAIN STREET, SUITE 202)	
MILLBURN, NJ 07041)	
EDWARD F. KOSTER)	
214 OLD TURNPIKE ROAD)	
TEWKSBURY TWP.)	
CALIFON, NJ 07830)	

This matter having been opened to the Office of Consumer Finance within the Division of Banking of the New Jersey Department of Banking and Insurance ("Department") upon information pursuant to the recent examination of Virtue Funding, LLC ("the Licensee"), at all times relevant to this Consent Order, a licensed New Jersey Residential Mortgage Broker pursuant to the New Jersey Residential Mortgage Lending Act N.J.S.A. 17:11C-52 et seq., ("the Act") may have violated certain provisions of the Act and its implementing rules; and

WHEREAS IT APPEARS that the Licensee may have violated the following:

1. N.J.A.C. 3:1-16.10 Special rules for brokers

During the course of a recent examination, it was found that the Licensee issued broker agreements that indicated that it may issue lock-in agreements or commitments which is prohibited for broker licensees. This was noted as a repeat violation from the previous examination of the Licensee.

2. N.J.A.C. 3:15-6.4 Loan application recordkeeping requirements for business licensees (a) 1.

The Licensee's loan application system was found to be missing the case number as required. This is a repeat violation from the previous examination of the Licensee; and

WHEREAS, in the event that the Commissioner issued an administrative Order to Show Cause to the Licensee addressing the above-referenced apparent violations, the Licensee would be entitled to request a hearing of the matter as a contested case in accordance with the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq.; and

WHEREAS the Licensee understands these rights and has voluntarily waived the right to a hearing on the matters addressed in this Consent Order; and

WHEREAS, the Licensee has agreed for purposes of settlement to **amend its broker agreements in order to be compliant with the Act and its implementing rules. The Licensee will also ensure that its loan application system includes case numbers in order to comply with its record keeping requirements;** and

WHEREAS, without making any admission of liability with respect to any of the apparent violations cited in this Consent Order, the Licensee has agreed for purposes of settlement to pay civil administrative penalties in the amount of **\$2,000;** and

WHEREAS the parties to this Consent Order have determined that this matter is suitable for resolution upon the consent of the parties and that the Licensee and the Department desire to resolve this matter without a hearing or litigation, and for further good cause appearing:

NOW, THEREFORE, IT IS on this 3rd day of Sept 2015, ORDERED AND AGREED as follows:

1. **The Licensee will amend its broker agreements in order to be compliant with the Act and its implementing rules. The Licensee will also ensure that its loan application system includes case numbers in order to comply with its record keeping requirements.**
2. **Licensee shall pay civil administrative penalties in the amount of \$2,000.**

Payment shall be made as follows. The amount of said penalties is due in full upon entry into this Consent Order by means of a certified check, bank check or money order made payable to the "Treasurer, State of New Jersey" to be sent to:

**Department of Banking and Insurance
Collections Bureau
P.O. Box 325
Trenton, New Jersey 08625
Attention: Jan Allen**


This Consent Order shall be duly signed by an authorized representative of the Licensee and sent along with a copy of the proof of payment as listed above to:

**Department of Banking and Insurance
Office of Consumer Finance
P.O. Box 040
Trenton, New Jersey 08625
Attention: Troy Dayton**

3. Licensee consents to the entry of this Consent Order as a final administrative order, and Licensee understands that this final administrative order may be docketed with the Clerk of the Superior Court as provided in the Penalty Enforcement Law, N.J.S.A. 2A:58-10 et seq.

Consented to with respect to
both form and content:

[LICENSEE]

By: Virtue Funding 
Print Name: Edward F. Koster
Title: Broker
Date: 09/3/2015

It is so ordered:

RICHARD J. BADOLATO, ACTING COMMISSIONER
NEW JERSEY DEPARTMENT OF
BANKING AND INSURANCE

By: Thomas M. Hunt
Thomas M. Hunt, Assistant Director
Office of Consumer Finance