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**MADIGAN ANNOUNCES \$1.2 MILLION SETTLEMENT WITH MORTGAGE COMPANY*****AG, Department of Financial & Professional Regulation Obtain Restitution for Consumers Defrauded by Springfield Mortgage Broker***

**Chicago** — Attorney General Lisa Madigan with the Illinois Department of Financial and Professional Regulation (IDFPR) today announced an agreement with Diamond Residential Mortgage Corporation under which the company will pay \$1.2 million to eligible consumers who were defrauded by one of the company's branch managers.

Madigan entered the settlement, an assurance of voluntary compliance, with Diamond Residential Mortgage Corporation (Diamond), a residential mortgage company based in Lake Forest, Ill. The agreement resolves an investigation by Madigan's office and IDFPR into alleged mortgage fraud at Diamond's Springfield branch.

Diamond cooperated with Madigan's office and IDFPR during the investigation into allegations that Diamond's Springfield branch manager, Chris R. Schaller defrauded individuals seeking mortgage loans. In some cases, borrowers believed they were obtaining a mortgage when Schaller actually placed them into a different type of transaction, a contract for deed, which can be financially riskier for borrowers than a traditional mortgage. Additionally, in some instances, consumers did not receive signed copies of their agreements with Schaller. In other instances, IDFPR found evidence that Schaller engaged in fraudulent loan origination activities. Madigan's office is conducting a separate investigation of Chris Schaller, which is ongoing.

"I appreciate the Department of Financial and Professional Regulation's partnership with my office to root out mortgage fraud at Diamond Residential's Springfield branch," Madigan said. "I encourage people to file a complaint with my office if they think they could qualify to receive compensation."

Under the settlement, Diamond agrees to pay \$1.2 million that Madigan's office will distribute to consumers defrauded by Schaller. Madigan's office and IDFPR will work together to conduct a claims process for consumers who were aggrieved by Schaller's practices to request compensation from a fund that will be managed by Madigan's office. Consumers who wish to be considered for compensation from the \$1.2 million fund should file a complaint with Madigan's Consumer Fraud Bureau in Springfield. Complaint forms are available on [Madigan's website](#) or by calling her Consumer Fraud Hotline at 1-800-243-0618.

Bureau Chief Elizabeth Blackston, Deputy Bureau Chief Paul Isaac and Assistant Attorney General Justin Tabatabai are handling the settlement for Madigan's Consumer Protection Division.

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