

STATE [REDACTED]

[REDACTED] COUNTY

IN A MATTER
BEFORE THE COMMISSIONER OF BANKS
DOCKET NO. [REDACTED]

IN RE:

[REDACTED] MORTGAGE, INC.

NMLS ID [REDACTED]

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CONSENT ORDER

NOW COME the Non-Depository Entities Division of the [REDACTED] Office of the Commissioner of Banks (" [REDACTED] ") and [REDACTED] Mortgage, Inc. ("Respondent"), collectively referred to as "the Parties," and agree to the entry of the following Consent Order.

FINDINGS OF FACT

1. [REDACTED] is responsible for regulating and licensing mortgage loan [REDACTED] Statutes and any future modifications or amendments thereto (" [REDACTED] SAFE Act").

2. On 7 January 2003, Respondent was issued a license as a mortgage broker under the MLA.

[REDACTED] On 31 July 2009, Respondent's [REDACTED] license was transitioned by operation of law to a mortgage broker license under the [REDACTED] SAFE Act, pursuant to Section 5(1) of [REDACTED]

4. [REDACTED] is the 100% owner, managing principal and served as the qualifying individual of [REDACTED] Mortgage, Inc. (" [REDACTED] ").

5. The [REDACTED] conducted a Limited Scope examination of [REDACTED] covering the period of 1 November 2013 to 30 April 2015.

6. On 31 August 2015, the [REDACTED] issued a Report of Examination that identified certain violations of the [REDACTED] SAFE Act as follows:

- a. Lack of control and supervision over its operations and staff;

- b. Failure to have a written information security plan;
- c. Failure to have a written Anti-Money Laundering Program and policies and procedures for reporting and maintaining Suspicious Activity Reports;
- d. Good Faith Estimates that did not comport with state and federal laws and regulations pertaining to mortgage lending;
- e. Improper charging or collecting of third party fees for loan-related goods, products, and services;
- f. Failure to maintain required records; and
- g. Failure to provide required disclosures to borrowers.

7. Respondent neither admits nor denies the foregoing allegations; nonetheless, Respondent desires to resolve this matter without further cost or expense through this Consent Order.

8. In response to the allegations, Respondent has done the following:

- a. Surrendered its mortgage broker license under [REDACTED] Gen. Stat. § [REDACTED] [REDACTED]), with the effects set forth therein.
- b. Sent checks to borrowers in order to make restitution totaling \$ [REDACTED], as set forth on the attachment hereto.
- c. [REDACTED] has ceased engaging in the mortgage business, including acting as a mortgage broker, exclusive mortgage broker, mortgage lender, qualifying individual, control person, or branch manager, as those terms are defined in the [REDACTED] SAFE Act.

9. The Parties have voluntarily, willingly and of their own accord agreed to the terms of this Consent Order:

- a. [REDACTED] shall not engage in the mortgage business, including acting as a mortgage broker, exclusive mortgage broker, mortgage lender, qualifying individual, control person, or branch manager, as those terms are defined in the [REDACTED] SAFE Act.
- b. [REDACTED] will not apply for or seek licensure, registration, or exemption under the [REDACTED] SAFE Act with the [REDACTED] for seven (7) years from the date of this Order. However, [REDACTED] may act as a mortgage loan originator, transitional mortgage loan originator, and loan processor, as those terms are defined in the [REDACTED] SAFE Act.
- c. Respondent will, within thirty (30) days of the date of this Consent Order, confirm that he has made restitution to borrowers totaling \$ [REDACTED], as set

forth on the attachment hereto by providing the cancelled checks to the [REDACTED]

- d. Respondent will cooperate fully with the [REDACTED] in any claim against the surety bond posted by Respondent.
- e. [REDACTED] will cooperate fully and to the best of his ability with any [REDACTED] complaints, investigations and examinations concerning Respondent. Such cooperation shall include, but not be limited to, providing affidavits and/or sworn testimony.

10. The Parties further agree and acknowledge that this Consent Order sets forth all of the terms and conditions between them concerning the above-entitled matter and supersedes all prior oral and written statements and representations, and that there are no terms or conditions between the parties except as specifically herein set forth.

11. Respondent waives its right to a contested hearing before the [REDACTED] Commissioner of Banks ("Commissioner") and to appeal this Consent Order to the [REDACTED] State Banking Commission or any court and agrees to entry of this Consent Order.

12. Upon entry of this Consent Order, the [REDACTED] will consider this matter fully resolved as to Respondent and agrees to take no further enforcement action regarding the matters alleged in this proceeding as against Respondent.

13. Respondent has had the opportunity to consult with legal counsel concerning the terms of this Consent Order.

14. The undersigned represents and warrants that he is authorized to enter into this Consent Order.

CONCLUSIONS OF LAW

1. The Commissioner has jurisdiction over Respondent and the subject matter of this proceeding.

[REDACTED], Deputy Commissioner of Banks, has the authority to enter into this Consent Order for and on behalf of [REDACTED]

3. The entry of this Consent Order is in the public interest.

4. This Consent Order is a matter of public record and may be disseminated as such.

5. Nothing in this Consent Order shall be construed to prohibit the [REDACTED] from investigating compliance with this Consent Order or to prohibit the [REDACTED] from investigating or pursuing enforcement proceedings against other individuals for their involvement in the matters alleged in this proceeding. Nothing in this Consent Order shall be construed as a waiver of any claim or defense that an individual consumer may have against Respondent.

6. This Consent Order shall be binding upon and inure to the benefit of the Parties hereto and their respective legal representatives, successors and assigns.

7. Respondent has surrendered its mortgage broker license under [REDACTED] Gen. Stat. § [REDACTED] with the effects set forth therein.

Based upon the foregoing findings of fact and conclusions of law, the Commissioner enters the following:

ORDER

1. [REDACTED] shall not engage in the mortgage business, including acting as a mortgage broker, exclusive mortgage broker, mortgage lender, qualifying individual, control person, or branch manager, as those terms are defined in the [REDACTED] SAFE Act.

2. [REDACTED] shall not apply for or seek licensure, registration, or exemption under the [REDACTED] SAFE Act with the [REDACTED] for seven (7) years from the date of this Order. However, [REDACTED] may act as a mortgage loan originator, transitional mortgage loan originator, and loan processor, as those terms are defined in the [REDACTED] SAFE Act.

3. Respondent shall, within thirty (30) days of the date of this Consent Order, confirm that he has made restitution to borrowers totaling \$ [REDACTED], as set forth on the attachment hereto by providing the cancelled checks to the [REDACTED].

4. Respondent shall cooperate fully with the [REDACTED] in any claim against the surety bond posted by Respondent.

5. [REDACTED] shall cooperate fully and to the best of his ability with any [REDACTED] complaints, investigations and examinations concerning Respondent. Such cooperation shall include, but not be limited to, providing affidavits and/or sworn testimony.

6. This Consent Order shall be deemed a regulatory action and shall be disclosed through the Nationwide Mortgage Licensing System and Registry by Respondent within thirty (30) days.

IT IS SO ORDERED on this the 4th day of January, 2016.

s/

[REDACTED]
Commissioner of Banks

WE CONSENT:

For the Office of the Commissioner of Banks

By: s/ [REDACTED]
Deputy Commissioner of Banks

Date: January 4, 2016

By: s/ [REDACTED], Counsel

Date: January 4, 2016

