

NEW YORK STATE DEPARTMENT
OF FINANCIAL SERVICES

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In the Matter of

Justin Schiatta
NMLS NO. 115343

SETTLEMENT AGREEMENT

A Licensed Mortgage Loan Originator Pursuant to
Article 12-E of the New York Banking Law

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This Settlement Agreement ("Agreement") is made and entered into by and between Justin Schiatta ("Schiatta" or the "MLO") and the New York State Department of Financial Services (the "Department" and collectively with Schiatta, the "Settling Parties") and evidences the agreement between the Settling Parties to resolve, without a hearing, the violations of Articles 12-D and 12-E of the New York Banking Law (the "Banking Law") and Part 420 of the Superintendent's Regulations, upon and subject to the terms and conditions hereof.

I.

RECITALS

1. Section 44 of the Banking Law provides, in part, that the Superintendent may, proceeding after notice and a hearing, require various persons to pay to the people of this State a penalty for a violation of the Banking Law and any regulation promulgated thereunder.

2. Part 420.21(g) of the Superintendent's Regulations provides that a fine may be imposed against a mortgage loan originator ("MLO") for any violation of the Banking Law, any regulation promulgated thereunder, any final or temporary order issued pursuant to Section 39 of the Banking Law, any condition imposed by the

Superintendent in connection with the granting of any application or request or any written agreement entered into with the Superintendent.

MISREPRESENTATION OF LICENSE

3. On May 13, 2011, the Department granted Schiatta a license, pursuant to Article 12-E of the Banking Law and Part 420 of the Superintendent's Regulations, to engage in regulated mortgage loan origination activities as a MLO.

4. During the period from April 2011 to March 2014, Schiatta was employed by Reliant Home Funding, Inc., ("Reliant"), which is a New York licensed mortgage broker, and assigned Schiatta to Reliant's branch office located at 250 Carleton Avenue, Suite 4A, East Islip, New York, NY 11730.

5. Additionally, from March 2014 to February 2015, Schiatta was employed by South Fork Funding, LLC ("South Fork"), which is a New York licensed mortgage broker, and assigned Schiatta to South Fork's branch office located at 630 Johnson Avenue, Suite GL004, Bohemia, New York.

6. From February 2015 to March 2017, Schiatta has been employed by LoanDepot.com, LLC ("LoanDepot"), which is a New York licensed mortgage banker.

7. The Department discovered that Schiatta solicited mortgage business for properties located in New York State using the website www.schiattamt.com during a period including June 2015, and used language on such site suggesting that he is a mortgage broker.

8. The Department also discovered that Schiatta solicited mortgage business for properties located in New York State using a social media website, www.facebook.com/jschiattamt.com, during a period including June 2015, and used

language on such site suggesting that he is a mortgage broker.

9. Accordingly, by soliciting mortgage business for properties located in New York State using the aforementioned websites, Schiatta violated Section 590.2(b) of the Banking Law, Part 420.20(a)(3) and Part 420.20(a)(4) of the Superintendent's Regulations, respectively.

10. Section 590(2)(b) of the Banking Law provides, in part, that "no person...shall engage in the business of soliciting, processing, placing or negotiating a mortgage loan ... in this state without first being registered with the Superintendent as a mortgage broker."

11. Part 420.20 (a)(3) of the Superintendent's Regulations prohibits a MLO from misrepresenting his or her license status, or persuading or inducing a borrower to apply for a mortgage loan under the belief that such MLO is duly licensed as a mortgage banker or registered as a mortgage broker.

12. Part 420.20(a)(4) of the Superintendent's Regulations states, in part, that a MLO shall not "publish, advertise or display his or her MLO license in any manner which implies that the MLO is licensed or registered with the New York State Department of Financial Services to engage in mortgage loan originating activities as a mortgage banker or mortgage broker."

II

SETTLEMENT TERMS AND CONDITIONS

Schiatta is willing to resolve the violations by entering into this Agreement and freely and voluntarily waives his right to a hearing under Banking Law Sections 44 and Part 420.21 of the Superintendent's Regulations on such violations. In consideration of

the promises and covenants set forth herein, the Settling Parties agree as follows:

1. Schiatta agrees to take all necessary steps to ensure his compliance with all applicable federal and state laws, regulations, and supervisory requirements relating to his mortgage business, including, but not limited to:

- a. complying with the requirements of the Banking Law, and the Superintendent's Regulations; and
- b. ensuring that he will not conduct business as a mortgage broker or a mortgage banker without first being registered or licensed by the Superintendent;

2. Schiatta agrees to pay a fine of \$5,000.00 payable in ten (10) installments as follows:

- \$500 upon execution of this Agreement;
- \$500 on or before the 15th day of each of the immediately following nine (9) months.

3. Schiatta further agrees that such payment will be made in immediately available funds in accordance with Department payment instructions.

4. Schiatta's mortgage origination activities will be subject to examinations semi-annually for a twenty-four month period following the execution of this Agreement.

III.

MISCELLANEOUS TERMS AND CONDITIONS

1. Schiatta acknowledges that his failure to comply with any of the settlement terms, conditions, and timeframes of this Agreement may result in the Department taking action to suspend and/or revoke his MLO license.

2. Schiatta acknowledges that entering into this Agreement shall not bar, estop, or otherwise prevent the Superintendent, or any state, federal or local agency or department or any prosecutorial authority from taking any other action affecting Schiatta with respect to the violations cited herein, or any other matter whether related or not to such violations.

3. This Agreement may not be altered, modified or changed unless in writing signed by the Superintendent or her designee.

4. This Agreement shall be enforceable and remain in effect unless stayed or terminated in writing by the Superintendent or her designee.

5. The effective date of this Agreement is the date on which it is executed by the Deputy Superintendent.

6. All written communications to the Department regarding this Agreement should be sent as follows:

Attention:

Rholda L. Ricketts
Deputy Superintendent
New York State Department of Financial Services
One State Street
New York, New York 10004

7. All written communications to Justin Schiatta regarding this Agreement should be sent as follows.

Attention:

Justin Schiatta
53 Java Street Apt. 2b
Brooklyn, New York 11222

8. This Agreement is not confidential; therefore, it is available to the public.

WHEREFORE, the Settling Parties hereto have caused this Agreement to be executed.

By: _____ / s / _____

Justin Schiatta
Mortgage Loan Originator

Dated: _____

New York State Department of Financial Services

By: _____ / s / _____

Rholda L. Ricketts
Deputy Superintendent

Dated: _____