

NEW YORK STATE DEPARTMENT  
OF FINANCIAL SERVICES

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In the Matter of

**CONTOUR MORTGAGE CORPORATION**  
**B500843**

**SETTLEMENT AGREEMENT**

A Licensed Mortgage Banker Pursuant To  
Article XII-D of the New York Banking Law  
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This Settlement Agreement (“Agreement”) is made and entered into by and between Contour Mortgage Corporation (“CMC”) and the New York State Department of Financial Services (the “Department,” and collectively, with CMC, the “Settling Parties”) evidencing an agreement between the Settling Parties to resolve, without a hearing, the violations cited herein of 3 NYCRR Sections 38.2 and 420.18, upon and subject to the terms and conditions hereof.

**I.**

**RECITALS**

1. CMC, headquartered at 990 Stewart Avenue, Suite 660, Garden City, NY 11530, was licensed by the Department as a mortgage banker on October 27, 2005, pursuant to Article 12-D of the Banking Law.

2. Sections 44 and 598 of the Banking Law provide, in part, that the Superintendent may, in a proceeding after notice and a hearing, require a licensed mortgage banker to pay to the people of this state a penalty for a violation of the Banking Law and/or any regulation promulgated thereunder.

3. 3 NYCRR Section 38.8, provides that a mortgage banker may be subject to disciplinary action by the Department for, among other things, violation of Article 12-D of the Banking Law, the regulations promulgated thereunder, or violation of state or federal law

indicating that the entity is unfit to engage in business as a mortgage banker.

**FAILURE TO ADEQUATELY MONITOR AND SUPERVISE ITS MLO**

4. During a period between January 2017 and March 2017, Salvator Zangari (“Zangari”) NMLS #157750, an MLO sponsored by CMC, utilized a radio advertisement to solicit and promote reverse mortgage loans in New York.

5. Specifically, the radio advertisement stated, “This is Sal Zangari with Contour Mortgage. I am the reverse mortgage specialist...For no cost in-house consultation call me Sal 516-385-6926...I will personally offer you no cost in-house appointment to see if reverse mortgage is right for you...”

6. The Department’s and Nationwide Multistate Licensing System and Registry’s records indicate that Zangari’s New York MLO license terminated, effective January 1, 2017, due to failure to renew by December 31, 2016.

7. Although his license was terminated, CMC acquiesced in Zangari continuing to engage in mortgage loan originating activities as an affiliate of CMC.

8. Accordingly, the Department has determined that CMC violated 3 NYCRR Section 420.18(a)(3)(iv), which requires, in part, that an originating entity shall ensure that any MLO it employs is duly licensed by the Superintendent to engage in mortgage loan originating activities and that such license has not been terminated, suspended or revoked.

**FAILURE TO INCLUDE THE REQUIRED LEGEND AND STREET ADDRESS**

9. CMC utilized two radio advertisements to solicit and promote reverse mortgage loans relating to properties located in New York.

10. In one of the two radio advertisements, CMC failed to include the required legend “Licensed Mortgage Banker – NYS Department of Financial Services” and the street address of the CMC’s office in New York State.

11. Accordingly, CMC violated Part 38.2(a) of the GRS, which require a

mortgage banker to include the legend “Licensed Mortgage Banker – NYS Department of Financial Services” or words to like effect therein in its advertisements.

12. Additionally, CMC violated Part 38.2(b) of the GRS, which requires a mortgage banker to indicate in its advertisements the name of the mortgage banker and a street address of any of its offices located in or outside of New York State if it has less than 10 offices in New York State.

## II.

### SETTLEMENT TERMS AND CONDITIONS

CMC freely and voluntarily waives its right to a hearing under Banking Law Sections 44 and 598 on such violations and agrees to take the actions listed below to redress the violation cited herein.

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

- a. complying with the requirements of Article 12-D of the Banking Law ; 3 NYCRR Parts 38 and 420; and
- b. ensuring that it adequately oversees and supervises its employees’ mortgage loan originating activities as well as ensuring that such employees are knowledgeable about New York State specific laws and regulations governing mortgage loan originating activities.

2. CMC agrees to develop appropriate written compliance policies and procedures designed to ensure compliance with all applicable federal and state laws, regulations, supervisory requirements and guidance letters. The compliance policies and procedures shall, at a minimum: (i) designate an individual responsible for monitoring compliance with all applicable

federal and state laws, regulations, supervisory requirements and guidance letters; and (ii) establish a training program to ensure that CMC and its employees involved in loan origination understand all applicable federal and state laws, regulations, supervisory requirements and guidance letters.

3. CMC agrees to pay a fine of \$ 30,000.

4. CMC further agrees that such payment will be made in immediately available funds in accordance with the Department's payment instructions.

### **III.**

#### **MISCELLANEOUS TERMS AND CONDITIONS**

1. CMC acknowledges that its failure to comply with any of the terms and conditions of this Agreement may result in the Department taking action to revoke CMC's license to engage in the business of a mortgage banker under Article 12-D of the Banking Law.

2. CMC 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 CMC, any of its current or former owners, officers, directors, employees, or insiders, or their successors or assigns 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 for Mortgage Banking.

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

Attention:

Richard A. Pregiato  
President  
Contour Mortgage Corporation  
990 Stewart Avenue, Suite 660  
Garden City, NY 11530

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

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

**Contour Mortgage Corporation**

By: \_\_\_\_\_/s/\_\_\_\_\_

Richard A. Pregiato  
President

Dated: \_\_\_\_\_

**New York State Department of Financial Services**

By: \_\_\_\_\_/s/\_\_\_\_\_

Rholda L. Ricketts  
Deputy Superintendent

Dated: \_\_\_\_\_