

New York State
Department of Financial Services

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In the Matter of

**ResMac of New York in lieu of ResMac, Inc.
B501019**

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 ResMac of New York in lieu of ResMac, Inc. (“ResMac” or “Licensee”) and the New York State Department of Financial Services (the “Department” collectively, with ResMac, the “Parties”) evidencing an agreement between the Parties to resolve, without a hearing, violation of Section 591(3) of the New York Banking Law (the “Banking Law”), upon and subject to the terms and conditions hereof.

I.

RECITALS

1. ResMac, headquartered at 398 NE 6th Avenue, Suite B, Delray Beach, Florida 33487, was granted a license by the Department on November 13, 2013 to engage in the business of a mortgage banker pursuant to Article 12-D of the Banking Law.

2. Sections 44 and 598 of the Banking Law provide, in part, that the Superintendent of Financial Services (“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 any violation of the Banking Law and/or regulation promulgated thereunder.

3. Section 38.8 of the General Regulations of the Superintendent provides that a mortgage banker may be subject to disciplinary action by the Department for, among other things,

violations of Article 12-D of the Banking Law, the regulations promulgated thereunder, or violations of state or federal law indicating that the entity is unfit to engage in the business of a mortgage banker.

Unauthorized Domain Name

4. Pursuant to the Department's All Industry Letter, dated June 1, 2000, the domain name of any website used by a licensee or a registrant to conduct mortgage banking or brokering activity qualifies as a separate business address that must be registered with the Department.

5. The Department determined that ResMac began using the domain names and websites, www.resmac.us and www.resmac.com in September 2017 to engage in New York regulated mortgage activities to promote and solicit mortgage loans relating to properties in New York State, prior to being granted permission to utilize the domain names and websites in May 2018.

6. Additionally, the Department determined that ResMac utilized the domain names and websites www.resmacinc.com, www.resmacb2b.com and www.resmacb2c.com for a period including July 2018 to engage in New York regulated mortgage activities to promote and solicit mortgage loans relating to properties in New York State.

7. According to our records, ResMac never obtained authorization from the Department to conduct residential mortgage business utilizing the domain names and websites www.resmacinc.com, www.resmacb2b.com or www.resmacb2c.com.

8. Accordingly, ResMac violated Section 591(3) of the Banking Law, which requires licensees to apply for and receive permission prior to using a business address.

II.

SETTLEMENT TERMS AND CONDITIONS

IT IS HEREBY UNDERSTOOD AND AGREED by Licensee and all subsidiaries, affiliates, successors, assigns, agents, representatives and employees, that:

1. Licensee is willing to resolve the violations cited herein by entering into this Agreement and freely and voluntarily waives its right to a hearing under Section 44 of the Banking Law and any appeal on such violation.

2. Licensee 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 and Part 38 of the General Regulations of the Superintendent; and
- b. ensuring that ResMac obtains the prior approval of the Superintendent for any action that will result in the use a different name or website.

3. Licensee agrees to develop appropriate written compliance policies and procedures (“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 ResMac and its employees involved in loan origination understand all applicable federal and state laws, regulations, supervisory requirements and guidance letters.

4. No later than ten (10) days after the effective date of this Agreement, Licensee shall pay a penalty of \$15,000 to the Department. The payment shall be made by wire transfer in accordance with the Department’s payment instructions.

5. Neither Licensee, nor any of its parents, subsidiaries, or affiliates shall, collectively or individually, seek or accept, directly or indirectly, reimbursement or indemnification including but not limited to payment made pursuant to any insurance policy, or from any of its parents, subsidiaries, or affiliates, with regard to any or all of the amount payable pursuant to this

Settlement Agreement.

6. ResMac agrees that it will not claim, assert, or apply for a tax deduction or tax credit with regard to any U.S. federal, state or local tax, directly or indirectly, for any portion of the penalty paid pursuant to this Agreement.

III.

MISCELLANEOUS TERMS AND CONDITIONS

1. Licensee acknowledges that its failure to fully comply with any of the terms and/or conditions of this Agreement may result in the Department taking action to suspend or revoke its license to engage in business as a licensed mortgage banker under Article 12-D of the Banking Law.

2. The Superintendent has agreed to the terms of this Agreement based on the representations made to the Department, or the written materials submitted to the Department, by Licensee – either directly or through its counsel – and the Department’s findings. To the extent that the written representations or written submissions, made by Licensee to the Department – either directly or through its counsel—are later found to be materially incomplete or inaccurate, this Agreement is voidable by the Superintendent in her sole discretion.

3. Upon the request of the Department, Licensee shall provide all documentation and information necessary for the Department to verify full compliance with this Agreement.

4. Licensee represents and warrants, through the signature below, that the terms and conditions of this Agreement were duly approved, and execution is duly authorized.

5. This Agreement and any dispute thereunder shall be governed by the laws of the State of New York without regard to any conflict of laws principles.

6. Licensee waives all rights to further notice and hearing in this matter as to any allegations of past violations up to and including the effective date of this Agreement and agrees that no provision of the Agreement is subject to review in any court or tribunal outside of the

Department.

7. In the event that one or more provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement.

8. Licensee acknowledges that entering into this Agreement shall not bar, estop, or otherwise prevent the Superintendent, or any state, federal or local agency or department from taking any other, or additional, action affecting Licensee, or 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.

9. This Agreement may not be altered, modified or changed unless in writing signed on behalf of all parties to this Agreement.

10. This Agreement shall be enforceable and remain in effect until stayed, modified, suspended or terminated in writing by the Superintendent.

11. This Agreement may be executed in one or more counterparts, and shall become effective when such counterparts have been signed by each of the parties hereto and So Ordered by the Superintendent or her designee.

12. All notices, reports, requests, and other communications to any party pursuant to this Agreement shall be in writing and shall be directed as follows:

Attention:

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

13. All written communications to ResMac regarding this Agreement should be sent as follows.

Attention:

Kevin Heckemeyer
President
ResMac of New York in lieu of ResMac, Inc.
398 NE 6th Avenue, Suite B
Delray Beach, Florida 33487

14. This Agreement is not confidential; therefore it is available to the public.
WHEREFORE, the Parties hereto have caused this Agreement to be executed.

ResMac of New York in lieu of ResMac, Inc.

By: _____ /S/ _____

Kevin Heckemeyer
President

Dated: _____

New York State Department of Financial Services

By: _____ /S/ _____

Rholda L. Ricketts
Deputy Superintendent

Dated: _____