

New York State Department
of Financial Services

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In the Matter of

MONTGOMERY MORTGAGE SOLUTIONS, INC.
A006684

SETTLEMENT AGREEMENT

A Registered Mortgage Broker 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 Montgomery Mortgage Solutions, Inc. ("Montgomery" or the "Originating Entity") and the New York State Department of Financial Services (the "Department" collectively, with the Montgomery, the "Settling Parties") evidencing an agreement between the Settling Parties to resolve, without a hearing, the violation of Sections 591-a (2) and 593-a (1) of the New York Banking Law ("Banking Law"), 3 NYCRR Sections 38.3(a)(2)(iii), 410.7(a)(4)(v) and (vi), upon and subject to the terms and conditions hereof.

I.

RECITALS

1. Montgomery, headquartered at 2230 Route 206, 1st floor, Belle Mead, NJ 08502, was granted a registration by the Department on April 11, 2006 to engage in business as a mortgage broker 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 registered mortgage broker to pay to the people of this State a penalty for a violation of the Banking Law and any regulation promulgated thereunder.

3. Section 38.8 of the General Regulations provides that a mortgage broker

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 broker.

4. The Department conducted an examination of the Originating Entity's mortgage brokering activities as of December 31, 2014 (the "Examination").

Unauthorized Domain Name

5. Pursuant to the Department's June 1, 2000 industry letter, the domain name of any website used by a licensee or a registrant to conduct mortgage banking or brokering activity qualifies as a business address.

6. The Department determined that the Originating Entity used the domain name "montmtg.com" to promote Mortgage Loan Activities relating to properties located in this State during a period including August 2015. A sample of this website is annexed as Exhibit A.

7. Although the domain name "montmtg.com" was ultimately approved by the Department, there was a period of time that "montmtg.com" was being used prior to its approval.

8. Accordingly, the Department has determined that the Originating Entity violated Section 591-a (2) of the Banking Law, which requires registrants to apply for and receive permission prior to using a specific business address.

Failed to Prominently Post a Registration Certificate

9. As a result of the Examination, the Department determined that the Originating Entity failed to display its mortgage broke registration certificate issued by the Department at its place of business.

10. Accordingly, the Originating Entity violated Section 593-a (1) of the Banking Law, which requires a registrant to prominently post its certificate of registration at its place of business.

Failed to Include the Required Email Address in Electronic Applications

11. During the Examination, the Department reviewed a sample of 28 electronic loan applications taken.

12. As a result of the review, the Department determined that the Originating Entity failed to include its email address in a majority of the electronic applications.

13. Accordingly, the Originating Entity violated 3 NYCRR Section 38.3(a)(2)(iii), which requires that electronic applications include the email address of the mortgage broker.

Incomplete Central Application Log

14. As a result of the Examination, the Department determined that the Originating Entity failed to include in its central application log, the source of its applications and all other fees collected and/or distributed prior to closing.

15. Accordingly, the Originating Entity violated 3 NYCRR Section 410.7(a)(4)(v) and (vi), which require that a mortgage broker include on a centralized application the source of its applications and all fees collect and/or disbursed prior to closing.

II

SETTLEMENT TERMS AND CONDITIONS

Montgomery is willing to resolve the violations by entering into this Agreement and freely and voluntarily waives its right to a hearing under Banking Law Sections 44 and 598 on such violations. Therefore, in consideration of the promises and covenants set forth

herein:

1. Montgomery 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 Part 410 and Part 38;
 - b. ensuring that it will provide appropriate training for its employees regarding the utilization of any location to conduct regulated mortgage business, assumed name or any website, domain, or other name; and
 - c. not conducting or transacting business in this state under any name, assumed name or designation using any website, domain, or other name that has not been approved by the Superintendent.
2. Montgomery agrees to develop, written advertisement and compliance policies and procedures (“Compliance P&P”), designed to ensure compliance with all applicable federal and state laws, regulations, supervisory requirements and guidance letters. The Compliance P&P 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 Montgomery and its MLO and non-MLO employees understand all applicable federal and state laws, regulations, supervisory requirements and guidance letters.
3. Montgomery agrees to pay a fine of \$ 8,000.
4. Montgomery 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. Montgomery acknowledges that its failure to comply with any of the settlement terms and conditions of this Agreement may result in the Department taking action to revoke Montgomery's registration to engage in the business of a mortgage broker under Article 12-D of the Banking Law.

2. Montgomery 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 Montgomery, 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 his designee.

4. This Agreement shall be enforceable and remain in effect unless stayed or terminated in writing by the Superintendent or his 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 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 Montgomery regarding this Agreement should be

sent as follows.

Attention:

Vibha Singh
President
Montgomery Mortgage Solutions, Inc.
2230 Route 206, 1st Floor
Belle Mead, NJ 08502

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.

Montgomery Mortgage Solutions, Inc.

By: _____/s/_____

Vibha Singh
President

Dated: _____

New York State Department of Financial Services

By: _____/s/_____

Rholda L. Ricketts
Deputy Superintendent

Dated: _____