

NEW YORK STATE DEPARTMENT  
OF FINANCIAL SERVICES

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In the Matter of

**LOANDEPOT.COM, LLC**  
**D/B/A LDWHOLESALE**  
**B500962**

**SETTLEMENT AGREEMENT**

A Licensed Mortgage Banker Pursuant To  
Article 12-D of the New York Banking Law

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This Settlement Agreement (“Agreement”) is made and entered into by and between loanDepot.com, LLC D/B/A LDWholesale (“loanDepot”) and the New York State Department of Financial Services (the “Department,” and collectively with loanDepot, the “Settling Parties”) evidencing an agreement between the Settling Parties to resolve, without a hearing, the violation cited herein of Article 12-D of the New York Banking Law (“Banking Law”).

**I.**

**RECITALS**

1. loanDepot, headquartered at 26642 Towne Centre Drive, Foothill Ranch, CA 92610, was licensed by the Department as a mortgage banker on December 27, 2011, 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. Section 38.8 of the General Regulations 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.

4. The Department conducted an examination of loanDepot's mortgage lending activities as of June 30, 2015 (the "2015 Examination").

### **Unauthorized Domain Name**

5. Section 591(3) of the Banking Law requires licensees to apply for and receive the Department authorization prior to using a specific business address.

6. Pursuant to the Department's June 1, 2000 Industry Letter "Re: Recording Domain Names," the domain name of any website used by a licensee to conduct mortgage banking activity is a business address for purposes of the requirements of Section 591(3) of the Banking Law.

7. Based on information gathered during the 2015 Examination, the Department determined that during a period including June 2015, loanDepot used, without authorization, the domain names "mortgagemaster.com" and "ldwholesale.com" to solicit and promote mortgage loans relating to properties located in New York State. Sample printouts from the aforementioned websites are annexed as Exhibit A and Exhibit B.

8. Accordingly, the Department has determined that loanDepot violated Section 591(3) of the Banking Law.

## **II.**

### **SETTLEMENT TERMS AND CONDITIONS**

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

1. loanDepot 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 BL Article 12-D and Part 38 of the General Regulations; and
- b. ensuring that loanDepot does not conduct or transact New York regulated mortgage business using any website, domain or other name that has not been approved by the Superintendent.

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

3. loanDepot agrees to pay a fine of \$7,500.

4. loanDepot 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. loanDepot 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 loanDepot’s license to engage in the business of a mortgage banker under Article 12-D of the

Banking Law.

2. loanDepot 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 loanDepot, 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 or matters 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 shall be sent as follows:

Attention:

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

7. All written communications to loanDepot regarding this Agreement shall be sent as follows:

Attention:

Anthony Hsieh  
Chief Executive Officer  
loanDepot.com, LLC D/B/A  
LDWholesale  
26642 Towne Centre Drive  
Foothill Ranch, CA 92610

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

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

**loanDepot.com, LLC D/B/A  
LDWholesale**

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

Anthony Hsieh  
Chief Executive Officer

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

**New York State Department of Financial  
Services**

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

Rholda L. Ricketts  
Deputy Superintendent

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