

NEW YORK STATE DEPARTMENT  
OF FINANCIAL SERVICES

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In the Matter of

**21<sup>ST</sup> MORTGAGE CORPORATION**  
**B500913**

**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 21<sup>st</sup> Mortgage Corporation (“21<sup>st</sup> Mortgage”) and the New York State Department of Financial Services (the “Department,” and collectively, with 21<sup>st</sup> Mortgage, the “Settling Parties”) evidencing an agreement between the Settling Parties to resolve, without a hearing, the violation cited herein of Section 591(3) of the New York Banking Law (“Banking Law”), upon and subject to the terms and conditions hereof.

**I.**

**RECITALS**

1. 21<sup>st</sup> Mortgage, headquartered at 620 Market Street, One Centre Square, Knoxville, TN 37902 was licensed by the Department as a mortgage banker on October 3, 2008, 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.

#### **UNLICENSED BRANCH LOCATION**

4. Based on the Department's examination of 21<sup>st</sup> Mortgage as of January 31, 2012, the Department found that 21<sup>st</sup> Mortgage maintained a branch office, as defined by New York Law, at 625 Gay Street, 3<sup>rd</sup> Floor, Two Centre Square, Knoxville, TN 37902 to conduct mortgage business relating to properties located in New York State.

5. The Department's records reveal that 21<sup>st</sup> Mortgage failed to obtain the proper authorization from the Department to maintain the aforementioned branch office.

6. Accordingly, 21<sup>st</sup> Mortgage violated Section 591(3) of the Banking Law, which requires a mortgage banker to apply for authority to open and maintain one or more branch offices.

## **II.**

### **SETTLEMENT TERMS AND CONDITIONS**

21<sup>st</sup> Mortgage is willing to resolve the violation cited herein 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. 21<sup>st</sup> Mortgage agrees to take all necessary steps to ensure its continued 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
  - b. ensuring that 21<sup>st</sup> Mortgage does not conduct or transact regulated mortgage business in this state using any location that has not been authorized by the Superintendent.
2. 21<sup>st</sup> Mortgage agrees to continue to maintain 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) continue to employ an individual responsible for monitoring compliance with all applicable federal and state laws, regulations, supervisory requirements and guidance letters; and (ii) continue to maintain a training program to ensure that 21<sup>st</sup> Mortgage and its employees involved in loan origination understand all applicable federal and state laws, regulations, supervisory requirements and guidance letters.
3. 21<sup>st</sup> Mortgage agrees to pay a fine of \$5,000.
4. 21<sup>st</sup> Mortgage 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. 21<sup>st</sup> Mortgage 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 21<sup>st</sup> Mortgage's license to engage in the business of a mortgage banker under Article 12-D of the Banking Law.
2. 21<sup>st</sup> Mortgage 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 21<sup>st</sup> Mortgage, any of its current or former owners, officers, directors, employees, or insiders, or their successors or assigns with respect to any other matter whether related or not to the violations cited herein.

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, NY 10004

7. All written communications to 21<sup>st</sup> Mortgage regarding this Agreement shall be sent as follows.

Attention:

Timothy Williams  
President  
21<sup>st</sup> Mortgage Corporation  
One Centre Square  
620 Market Street  
Knoxville, TN 37902

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.

**21<sup>st</sup> Mortgage Corporation**

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

Timothy Williams  
President

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

**New York State Department of Financial  
Services**

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

Rholda L. Ricketts  
Deputy Superintendent

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