

*New York State*

*Department of Financial Services*

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In the Matter of

**NEW DEAL MORTGAGE GROUP LLC  
A007414**

**SETTLEMENT AGREEMENT**

A Mortgage Broker Applicant 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 New Deal Mortgage Group LLC (the "Applicant") and the New York State Department of Financial Services (the "Department"), collectively (the "Settling Parties"), evidencing an agreement between the Settling Parties to resolve, without a hearing, the violations of Part 38 of the General Regulations of the Banking Board (the "General Regulations"), New York Banking Law ("Banking Law") Article 12-D, and New York General Business Law ("GBL") Article 22-A Sections 349 and 350, cited herein by the Department, upon and subject to the terms and conditions hereof.

I.

**RECITALS**

1. The Department received an application dated August 29, 2011 from the Applicant to engage in the business of a mortgage broker for evaluation to be registered as a mortgage broker pursuant to Article XII-D of the Banking Law. The application was

amended as of November 1, 2011 to reflect the Applicant's headquarters at 190 North 10th Street, Unit #202, Brooklyn, NY 11211.

### **Unauthorized Domain Names**

2. As of November 28, 2011, the Department has not yet granted a registration to the Applicant to engage in the business of a mortgage broker pursuant to Article 12-D of the Banking Law.

3. During a visitation (the "Visitation") by the Department on November 28, 2011 to the Applicant's principal office address, the Department discovered the Applicant has two websites utilizing the domain names [www.newdealmortgage.com](http://www.newdealmortgage.com) and [www.facebook.com/newdealmortgagroup](http://www.facebook.com/newdealmortgagroup) to solicit residential mortgage loans. Copies of the websites are annexed as Exhibit A and Exhibit B.

4. The Applicant created the [www.newdealmortgage.com](http://www.newdealmortgage.com) website on November 1, 2010. The website was taken down as of November 30, 2011 and is now "under construction."

5. The Applicant activated the websites [www.newdealmortgage.com](http://www.newdealmortgage.com) and [www.facebook.com/newdealmortgagroup](http://www.facebook.com/newdealmortgagroup) prior to receiving approval to utilize either websites to conduct New York residential mortgage activities.

6. By failing to keep the websites in dormant status and only activate them after receiving approval from the Department, the Applicant has conducted New York regulated residential mortgage activity utilizing the domain names [www.newdealmortgage.com](http://www.newdealmortgage.com) and [www.facebook.com/newdealmortgagroup](http://www.facebook.com/newdealmortgagroup) without approval from the Department.

7. 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.

8. The Applicant activated the websites [www.newdealmortgage.com](http://www.newdealmortgage.com) and [www.facebook.com/newdealmortgagroup](http://www.facebook.com/newdealmortgagroup) prior to being registered with the Superintendent as a mortgage broker.

9. The [www.facebook.com/newdealmortgagroup](http://www.facebook.com/newdealmortgagroup) website stated “The trusted experts in condominium finance” and the phone number of the Applicant, which is 347-763-1490. Although it included a link to [www.newdealmortgage.com](http://www.newdealmortgage.com), this website has engaged in solicitation by stating the phone number, which allows consumers to call the Applicant to begin the mortgage origination process without visiting an authorized website, or visiting a registered business address of the Applicant.

10. By failing to keep the websites in dormant status and only activate them after receiving approval from the Department, the Applicant has conducted New York regulated residential mortgage activity utilizing the domain names [www.newdealmortgage.com](http://www.newdealmortgage.com) and [www.facebook.com/newdealmortgagroup](http://www.facebook.com/newdealmortgagroup) prior to being registered with the Superintendent as a mortgage broker.

11. Accordingly, the Applicant violated Article 12-D Section 590.2(b) of the Banking Law, which provides that no corporation or other entity shall engage in the business of soliciting, processing, placing or negotiating a mortgage loan, or offering to solicit, process, place or negotiate a mortgage loan in this state without first being registered with the Superintendent as a mortgage broker in accordance with the registration procedure provided in this article and by such regulations as may be promulgated by the banking board or prescribed by the Superintendent.

### **Unauthorized Employment Relationship**

12. As of the Visitation date, the website [newdealmortgage.com](http://newdealmortgage.com) was live and stated the name and title of some of the Applicant’s staff (the “Staff”). The Staff list includes

President Ross Weinstein, Executive Vice President Lee Charles Pettid, VP of Sales Andrew W. Rallo Jr., and Branch Manager Bryan O'Neill.

13. As of the Visitation date, the Staff still has an employment relationship with Exclusive Capital Consultants, Inc., another mortgage broker.

14. The Applicant failed to receive written approval from the Superintendent to engage the staff who has an employment or independent contractor relationship with another mortgage banker, mortgage broker, or exempt organization.

15. Accordingly, the Applicant has violated General Regulations Section 38.7(a)(16) which provides that no mortgage broker shall enter into an employment agreement or otherwise engage any employee or independent contractor who has an employment or independent contractor relationship with any other mortgage banker, mortgage broker or exempt organization, except with the written approval of the Superintendent.

### **Misleading Disclosure**

16. As of the Visitation date, the Department has not yet granted a registration to the Applicant to engage in the business of a mortgage broker pursuant to Article 12-D of the Banking Law.

17. As of the Visitation date, the live newdealmortgage.com website stated "REGISTERED MORTGAGE BROKER – NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES" and "NMLS# 490954".

18. By failing to keep the newdealmortgage.com website dormant until the Applicant receives the mortgage broker registration from the Department, and by stating "REGISTERED MORTGAGE BROKER – NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES" and "NMLS# 490954", the Applicant has misled consumers to

believe that it is a registered mortgage broker prior to receiving a registration from the Superintendent.

19. Accordingly, the Applicant has engaged in deceptive business practices and false advertising in violation of GBL Sections 349 and 350.

20. A mortgage broker cannot lend, fund a mortgage loan, or make a mortgage loan.

21. A mortgage banker can lend, fund a mortgage loan, or make a mortgage loan.

22. As of the Visitation date, the live newdealmortgage.com website stated “A new perspective on Lending”.

23. By stating “Lending”, the website misled consumers to believe that the Applicant can fund a mortgage loan, and therefore must be a mortgage banker.

24. The practices described in the paragraphs above violated GBL Section 349 which declares deceptive business practice unlawful, and Section 350 which declares false advertising unlawful.

## II.

### **SETTLEMENT TERMS AND CONDITIONS**

Without admitting or denying the Department’s findings, the Applicant is willing to resolve the violations cited herein by entering into this Agreement. Therefore, in consideration of the promises and covenants set forth herein:

1. The Applicant 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 Banking Board; and

- b. ensuring that it will submit an application and receive approval from the Department prior to utilizing any domain name and websites to conduct regulated mortgage loan origination activity; and
- c. ensuring that it will not activate any websites prior to receiving approval from the Department; and
- d. ensuring that its advertisements do not mislead consumers as to whether the Applicant can fund a mortgage loan or make a mortgage loan;
- e. ensuring that it does not enter into an employment or otherwise engage any employee or independent contractor who has an employment or independent contractor relationship with any other mortgage banker, mortgage broker or exempt organization without the written approval of the Superintendent; and
- f. ensuring that its advertisements do not mislead consumers as to the terms and conditions of credit it is offering and that such advertisements disclose clearly and conspicuously the existence of material terms, conditions, and limitations relating to any advertised offer of credit; and
- g. ensuring that it will not advertise terms of credit using footnotes, asterisks, small print and color contrasts that materially contradict or modify the principal message of its advertisements, and will disclose clearly, and conspicuously all material information.

2. The Applicant agrees to develop appropriate written advertisement policies and procedures designed to ensure compliance with all applicable federal and state laws, regulations, supervisory requirements and guidance letters. The 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 the Applicant and its employees involved in preparing or approving advertisements understand all applicable federal and state laws, regulations, supervisory requirements and guidance letters.

3. Within ninety (90) days from the effective date of this Agreement, the Applicant agrees to submit a draft of its advertisement policies and procedures to the Department.

4. Within one hundred twenty (120) days from the effective date of this Agreement, the Applicant agrees to submit a copy of its final advertisement policies and procedures to the Department together with a letter from an authorized officer of the Applicant indicating his/her approval of such policies and procedures.

5. The Applicant further agrees to provide copies of all advertisements run by it for the twelve (12) month period following the effective date of this Agreement.

6. The Applicant agrees to pay a fine of \$ 10,000 payable upon execution of this Agreement

7. The Applicant 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. The Settling Parties acknowledge that the Applicant's failure to comply with any of the settlement terms and conditions of this Agreement may result in the Department of Financial Services taking action to deny the Applicant's application, or if approved,

revoke its registration to engage in the business of a mortgage broker under Article 12-D of the Banking Law.

2. The Settling Parties acknowledge 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 the Applicant, 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 or her designee.
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 the Applicant regarding this Agreement should be sent as follows.

Attention:

Ross H. Weinstein  
President  
New Deal Mortgage Group LLC  
190 North 10th Street, Unit #202  
Brooklyn, NY 11211

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.

By: \_\_\_\_\_

Ross H. Weinstein  
President  
New Deal Mortgage Group LLC

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

By: \_\_\_\_\_

Rholda L. Ricketts  
Deputy Superintendent  
New York State Department of Financial Services

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


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"We searched for a long time to find a home that was right for us and our lovable dog, and we finally found it—a beautiful condo overlooking a lovely park with its very own dog run."

### Eve and Scott

Williamsburg, Brooklyn  
Social Worker and Video Editor/Choreographer



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Not Overnight Avg.	Today	%	Last Week
30 yr fixed mtg	4.00	+	3.99
15 yr fixed mtg	3.31	-	3.3
5/1 ARM	2.97	+	2.98
1 yr ARM	2.98	-	2.98

\*Rates provided by Freddie Mac Primary Mortgage Market Survey. Rates and programs may vary and are subject to change. Many other loan programs are available. Call today for more details.

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New Deal Mortgage Group, LLC

190 N 10th Street, Suite 200 - Brooklyn, NY 11211

REGISTERED MORTGAGE BROKER - NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES, NAME #46024. UNLICENSED ACTIVITIES OF A NEW YORK STATE REGISTERED MORTGAGE BROKER APPLY ONLY TO FINANCING TRANSACTIONS OF 1-4 FAMILY RESIDENTIAL MORTGAGES. NEW DEAL MORTGAGE GROUP, LLC DOES NOT FUND LOANS; ALL LOANS ARRANGED THROUGH 3rd PARTY PROVIDERS. ALL PROGRAMS SUBJECT TO APPROVAL. CERTAIN CONDITIONS AND RESTRICTIONS MAY APPLY.

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## New Deal Mortgage Group

Bank/Financial Institution · Brooklyn, New York

**Information**

**Description**

The trusted experts in condominium finance. We specialize in new construction, conversions, and existing project finance. While first time home buyers, investors and those looking to refinance continue to struggle with the tightest credit market the country has ever seen, the experts at New Deal Mortgage continue to navigate the process with efficiency and ease, helping their clients ensure access to mortgage finance.

**Address**

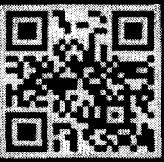
190 North 10th Street Suite 202, Brooklyn, NY 11211 · Get Directions

**Phone**

347-763-1490

**Website**

<http://www.newdealmortgage.com>





**Founded**

2011

**About**

A recognized industry leader in mortgage finance

**Mission**

We are committed to delivering extraordinary results through the highest level of customer service, dedication to superior knowledge and a true desire to being recognized as the best in the industry.

**Products**

Residential Mortgage Finance

**Email**

[info@newdealmortgage.com](mailto:info@newdealmortgage.com)

**Likes and Interests**

<p><b>Wall</b></p> <p><b>Info</b></p> <p><b>Photos</b></p> <p><b>Events</b></p> <p> <b>Twitter</b></p> <p><b>About</b></p> <p>A recognized industry leader in mortgage finance</p>	<p><b>Likes</b></p> <p>Strategic Inspections, LLC, Parlay Mortgage &amp; Property, Inc., Brooklyn Community Services, Brooklyn, Real Estate Connect, Gothamist, Williamsburg, Brooklyn, New York, News 12 Brooklyn, Crain's New York Business, The Wall Street Journal, Brownstoner.com, The Real Deal Magazine, Brooklyn Daily Eagle, Brooklyn, New York, Curbed and 1 more</p>
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