

NEW YORK STATE DEPARTMENT  
OF FINANCIAL SERVICES

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In the Matter of

**SERVIS ONE, INC. DBA BSI FINANCIAL SERVICES**  
A Mortgage Loan Servicer Applicant Pursuant To  
Article XII-D of the New York Banking Law

**SETTLEMENT AGREEMENT**

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This Settlement Agreement ("Agreement") is made and entered into by and between Servis One, Inc. DBA BSI Financial Services ("BSI" or "Applicant") and the New York State Department of Financial Services (the "Department" together with BSI, collectively defined as the "Settling Parties"), evidencing an agreement between the Settling Parties to resolve, without a hearing, the violations of Section 418.14 of Part 418 of the Superintendent's Regulations, cited herein by the Department, upon and subject to the terms and conditions hereof.

**I.**

**RECITALS**

1. BSI, headquartered at 1425 Greenway Drive, Suite 400, Irving, TX 75038 is a registered mortgage loan servicer pursuant to Part 418 of the Superintendent's Regulations and Article 12-D of the New York Banking Law ("Banking Law").

2. Section 301(c) of the Financial Services Law ("FSL") provides, in part, that the Superintendent of Financial Services (the "Superintendent") shall have the power to protect consumers and Section 302 of the FSL provides the Superintendent with authority to issue orders not inconsistent with the Banking Law.

3. Section 418.10 of Part 418 of the Superintendent's Regulations provides that a fine may be imposed for any violation of the Banking Law, any regulation promulgated thereunder, any final or temporary order issued pursuant to Section 39 of the Banking Law, any condition imposed in connection with the grant of any application or request or any written agreement entered into with the Superintendent, or any conduct which would constitute grounds for revocation or suspension of the registration of such mortgage loan servicer.

4. Section 590(2)(b-1) of New York Banking Law states that no person, partnership, association, corporation or other entity shall engage in the business of servicing mortgage loans with respect to any property located in this state without first being registered with the superintendent as a mortgage loan servicer in

accordance with the registration procedure provided by such regulations as may be prescribed by the superintendent. Part 418 provided a transitional period for mortgage loan servicers engaging in business in New York State on June 30, 2009. Specifically, Section 418.14 of Part 418 of the Superintendent's Regulations stipulates that a mortgage loan servicer engaging in mortgage loan servicing business in New York State on June 30, 2009 shall be deemed in compliance with the requirements if an application for registration is submitted by July 31, 2009.

5. Section 590(1)(i) states that servicing mortgage loans means receiving any scheduled periodic payment from a borrower pursuant to the terms of any mortgage loan, including amounts from escrow accounts under Section Six-k of the Banking Law, Title Three-A of Article Nine of the Real Property Tax Law or Section Ten of 12 U.S.C. 2609, and making the payments to the owner of the loan or other third parties of principal and interest and such other payments with respect to the amounts received from the borrower as may be required pursuant to the terms of the mortgage service loan documents or servicing contract. In the case of a home equity conversion mortgage or reverse mortgage as referenced in Section Six-h of the Banking Law, Sections two hundred eighty and two hundred eighty-a of the Real Property Law or 24 CFR 3500.2, servicing includes making payments to the borrower.

6. BSI filed a Mortgage Loan Servicer Registration Application through the Nationwide Mortgage Licensing System ("NMLS") on January 6, 2010. During the processing of the application, BSI confirmed that it was engaging in servicing mortgage loans on June 30, 2009.

7. BSI's activities of servicing mortgage loans on July 31, 2009 without filing an application for registration constitutes a violation of Section 590(2)(b-1) of the New York Banking Law and Part 418 of the Superintendent's Regulations.

## II.

### SETTLEMENT TERMS AND CONDITIONS

BSI 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, the Settling Parties agree, as follows:

1. BSI 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 servicing business including, submitting to the Department its policy and procedures related to its state and federal licensing and provide a board approved compliance program detailing its regulatory oversight.

2. BSI agrees to pay a fine of \$30,000.

3. BSI 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. BSI acknowledges that BSI's failure to comply with any of the settlement terms and conditions of this Agreement may result in the Department taking action to deny BSI's registration to engage in the business of a mortgage loan servicer under Part 418 of the Superintendent's Regulations and Article 12-D of the Banking Law.

2. BSI 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 BSI, 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 and 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  
State of New York Department of Financial Services  
One State Street  
New York, New York 10004

7. All written communications to BSI regarding this Agreement should be sent as follows:

Attention:

Gagan Sharma  
President and CEO  
Servis One, Inc. DBA BSI Financial Services  
1425 Greenway Drive, Suite 400  
Irving, TX 75038

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.

**Servis One, Inc. DBA BSI Financial Services**

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

Gagan Sharma  
President and CEO

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

**New York State Department of Financial Services**

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

Rholda L. Ricketts  
Deputy Superintendent

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