

NEW YORK STATE DEPARTMENT
OF FINANCIAL SERVICES

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In the Matter of

CANYON MORTGAGE CORP.
A006931

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 Canyon Mortgage Corp. ("Canyon") and the New York State Department of Financial Services (the "Department" and collectively with Canyon, the "Settling Parties") evidencing an agreement between the Settling Parties to resolve, without a hearing, the violations of Article 12-D of the New York Banking Law (the "Banking Law"), and 3 NYCRR Parts 38 and 420, upon and subject to the terms and conditions hereof.

I.

RECITALS

1. Canyon, headquartered at 2001 Marcus Avenue, Suite N-121, Lake Success, NY 11042, was registered pursuant to Article 12-D of the Banking Law on September 13, 2007 to engage in business as a mortgage broker.

2. Section 44 of the Banking Law provides, in part, that the 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. 3 NYCRR Section 38.8 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.

Unauthorized Location

4. Canyon, through Helping Hand Mortgage, Inc., (“Helping Hand Mortgage”), an entity that is neither licensed or registered under Article 12-D of the Banking Law, operated a branch office at 480 Forest Ave Suite 509, Locust Valley, NY 11560.

5. Accordingly, Canyon violated Section 591-a(2) of the Banking Law, which requires a registrant to apply for and receive authority in order to open and maintain a branch office.

6. Additionally, Canyon violated 3 NYCRR Section 38.7(a)(2), which prohibits a mortgage broker from conducting business with an entity which it knows or should know is an unregistered mortgage broker.

Assignment of MLO to Unlicensed Location

7. Michael Monteforte, a licensed mortgage loan originator (“MLO”) associated with Canyon’s office at 2001 Marcus Avenue, Suite N-121, Lake Success, NY 11042, was allowed to conduct mortgage activities at 480 Forest Avenue, Suite 509, Locust Valley, NY 11560.

8. Accordingly, Canyon violated 3 NYCRR Section 420.18(a)(3)(v), which requires originating entities to assign MLOs to locations licensed or registered by the Superintendent.

II

SETTLEMENT TERMS AND CONDITIONS

Canyon 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. Canyon 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 Articles 12-D of the Banking Law, and 3 NYCRR Parts 38 and 420;
 - b. not conducting or transacting New York regulated mortgage business at any location that has not been approved by the Superintendent;
 - c. not conducting or transacting business with any entity that is an unregistered mortgage broker or an unlicensed mortgage banker.
 - d. ensuring that its staff does not engage in origination activities at unauthorized locations; and
 - e. ensuring that it will provide appropriate training for its employees regarding the establishment of or the change of branch locations, the location at which loan documents are to be secured, and the

telephone numbers and fax numbers utilized on such documents.

2. Canyon agrees to develop 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) 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 Canyon and its employees involved in loan origination understand all applicable federal and state laws, regulations, supervisory requirements and guidance letters.

3. Within ninety (90) days from the receipt of this Agreement, Canyon agrees to submit a draft of its compliance policies and procedures to the Department for review.

4. Within thirty (30) days from receipt of non-objection or any comments from the Department, and after incorporation and adoption of all comments, Canyon agrees to submit a copy of its final compliance policies and procedures to the Department together with a letter from an authorized officer of Canyon indicating his/her approval of such compliance policies and procedures.

5. Canyon agrees to pay a fine of \$ 15,000.

6. Canyon 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. Canyon 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 Canyon's registration to engage in the business of a mortgage broker under Article 12-D of the Banking Law.

2. Canyon 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 Canyon, 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.

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 Canyon regarding this Agreement should be sent as follows.

Attention:

Mr. David Weinberger
Owner
Canyon Mortgage Corp.
2001 Marcus Avenue, Suite N-121
Lake Success, NY 11042

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.

Canyon Mortgage Corp.

By: _____

David Weinberger
Owner

Dated: _____

New York State Department of Financial Services

By: _____

Rholda L. Ricketts
Deputy Superintendent

Dated: _____