

New York State Department
of Financial Services

_____ X
In the Matter of

Interstate Home Loan Center, Inc.
B500471

SETTLEMENT AGREEMENT

A Licensed Mortgage Banker Pursuant To
Article XII-D of the New York Banking Law
_____ X

This Settlement Agreement ("Agreement") is made and entered into by and between Interstate Home Loan Center, Inc. ("Interstate") and the New York State Department of Financial Services (the "Department" and collectively with Interstate, the "Settling Parties") evidencing an agreement between the Settling Parties to resolve, without a hearing, violations of Article 12-D of the New York Banking Law ("Banking Law"), Section 130 of the General Business Law, and Section 202 of the New York Business Corporation law, and subject to the terms and conditions hereof.

I.

RECITALS

1. Interstate, headquartered at 25 Melville Park Road, Suite 105, Melville, NY 11747, was granted a license by the Department on July 31, 1996 to engage in the business of a mortgage banker pursuant to Article 12-D of the Banking Law.
2. Section 44 of the Banking Law provides, 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 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.

Unauthorized Domain Names

4. 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.

5. In 2012, Interstate placed an advertisement promoting New York regulated mortgages on the websites www.goververse.com and www.interstatehomeloans.com. A screenshot of each advertisement is annexed hereto as Exhibit A and Exhibit B, respectively.

6. Interstate utilized the domain names www.goreverse.com and www.interstatehomeloans.com to conduct New York regulated residential mortgage activities prior to receiving authorization from the Department to do so.

7. Accordingly, Interstate violated Article 12-D Section 591(3) of the Banking law, which requires licensees to apply for and receive permission prior to using a business address different from that at which it was licensed.

Unauthorized Usage of Assumed Name

8. On July 31, 1996, the Department issued a license to Interstate under the

name Interstate Home Loan Center, Inc.

9. The advertisement in www.goreverse.com displayed a logo box which contains the name Interstate Home Loan Center, Inc. and a word logo stating Go Reverse.com.

10. By stating Go Reverse.com next to Interstate's name in the logo box, the advertisement promoted Go Reverse.com as an assumed name, and utilized the name Go Reverse.com to promote New York residential mortgage business.

11. Interstate neither requested nor received approval from the Department to use the assumed name Go Reverse.com.

12. Accordingly, Interstate violated Section 595-a(2)(a) of the Banking Law, which provides in part that all advertisements by a mortgage banker shall contain the name which shall conform to a name on record with the Department.

13. Additionally, Interstate violated GBL Section 130(1)(b), which provides that no one shall carry on or conduct or transact business in this state under any name or designation other than his or its real name unless such person files a Certificate of Assumed Name with the New York Secretary of State.

14. Furthermore, Interstate violated Section 202(a)(16)(b) of the New York Business Corporation Law, which provides that no corporation shall do business in New York State under any name, other than the names that appear in its certificate of incorporation, in compliance with the filing provisions of Section 130 of the General Business Law governing the conduct of business under an assumed name.

II.

SETTLEMENT TERMS AND CONDITIONS

Interstate is willing to resolve the violations 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. Interstate 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;
- b. not conducting or transacting business in the state under any assumed name or designation using any website, domain, or other name that has not been approved by the Superintendent; and
- c. ensuring that it will provide appropriate training for its employees regarding the utilization of any assumed name or any website, domain, or other name.

2. Interstate agrees to develop appropriate written compliance policies and procedures designed to ensure compliance with all applicable federal and state laws, regulations, supervisory requirements, and guidelines. 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 guidelines;

(ii) include a listing of all applicable laws and regulations; (iii) establish a mechanism for ensuring that all applicable laws and regulations are met; (iv) establish a training program to ensure that Interstate and its employees involved in establishing new branch locations and utilizing new assumed names understand all applicable federal and state laws and regulations.

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

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

5. Interstate agrees to pay a fine of \$ 7,500.

6. Interstate 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. Interstate 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 Interstate's license to engage in the business of a mortgage banker under

Article 12-D of the Banking Law.

2. Interstate 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 Interstate, 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 Interstate regarding this Agreement should be sent as follows.

Attention:

Alex Niven
President
Interstate Home Loan Center, Inc..
25 Melville Park Road, Suite 105
Melville, NY 11747

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.

Interstate Home Loan Center, Inc.

By: _____

Alex Niven
President

Dated: _____

Interstate Home Loan Center, Inc.

By: _____

Terence J. Cullen
Vice President

Dated: _____

New York State Department of Financial Services

By: _____

Rholda L. Ricketts
Deputy Superintendent

Dated: _____