

NEW YORK STATE DEPARTMENT
OF FINANCIAL SERVICES

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In the Matter of

**PRSYMA LENDING GROUP, LLC
D/B/A PRYSMA HOME FUNDING
A007395**

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 Prysma Lending Group, LLC d/b/a Prysma Home Funding (“Prysma”) and the New York State Department of Financial Services (the “Department,” and collectively, with Prysma, the “Parties”) to address the violations of Section 591-a (2) of the Banking Law, and Part 420.18(a)(3)(v) of the Superintendent’s Regulations.

I.

RECITALS

1. Prysma, headquartered at 18 Padanaram Road, Danbury, Connecticut 06811, was registered by the Department as mortgage broker on July 12, 2011, 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 registered mortgage broker 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 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 brokering or making mortgage loans in this state.

UNAUTHORIZED DOMAIN NAME

4. Pursuant to the Department's All Industry Letter, dated June 1, 2000 (the "2000 Industry Letter"), the domain name of any website used by a licensee or registrant to conduct mortgage banking or mortgage brokering activities qualifies as a separate business address that must be registered with the Department.

5. The Department determined that the Prysma used the domain name and website Prysma.com to promote mortgage loans relating to residential real property located in New York State, without prior authorization from the Department. A sample of this website is annexed as Exhibits "A."

6. Accordingly, the Department has concluded that Prysma has violated Section 591-a (2) of the Banking Law, which requires registrants, such as Prysma, to apply for and receive permission prior to using a specific business address.

ASSIGNED TO UNREGISTERED LOCATION

7. Additionally, mortgage brokers, such as Prysma are required to "assign [Mortgage Loan Originators ('MLO's')] to locations licensed or registered by the superintendent." 3 NYCRR Section 420.18(a)(3)(v).

8. The Department determined that during a period including June 2015, Frank Giner, NMLS #16453, and Denise Anne Panza, NMLS #16446, both MLOs sponsored by Prysma, used the domain names FrankGiner.com, denispanza.com, and askmortgagegal.com, to solicit mortgage loans relating to properties in New York State, on behalf of Prysma.

9. The Department's records reveal that Prysma failed to obtain authorization

to utilize the domain names FrankGiner.com, denispanza.com, and askmortgagegal.com, to conduct mortgage loan activities, relating to properties in New York State.

10. Accordingly, pursuant to the directives of the 2000 Industry Letter, the Department has concluded that Prysma has violated 3 NYCRR Section 420.18(a)(3)(v), by allowing its sponsored MLO to originate loans from an unregistered location.

II.

SETTLEMENT TERMS AND CONDITIONS

Prysma freely and voluntarily waives its right to a hearing under Banking Law Sections 44 and 598 on such violations and agrees to take the actions listed below redress the violation cited herein.

1. Prysma 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 3 NYCRR Sections 38 and 420;
- b. not conducting or transacting business in this state under any name, assumed name or designation using any website, domain, or other name that has not been approved by the Superintendent.

2. Prysma 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 advertisement 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 Prysma 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 effective date of this Agreement, Prysma agrees to submit a draft of its advertisement policies and procedures to the Department for review.

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

5. Prysma agrees to pay a fine of \$8,000 payable in twelve (12) monthly installments as follows:

- \$850 upon execution of this Agreement, and
- \$650 each on or before the 15th day of each consecutive month for the following eleven (11) months.

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

2. Prysma 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 Prysma, 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 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, New York 10004

7. All written communications to Prysma regarding this Agreement shall be sent as follows.

Attention:

Monica Novas Serva
President
Prysma Lending Group, LLC
d/b/a Prysma Home Funding
18 Padanaram Road
Danbury, CT 06811

8. This Agreement is not confidential; therefore it is available to the public.

WHEREFORE, the Parties hereto have caused this Agreement to be executed.

**Pryma Lending Group, LLC
d/b/a Pryma Home Funding**

By: _____

Monica Novas Serva
President

Dated: _____

**New York State Department of Financial
Services**

By: _____

Rholda L. Ricketts
Deputy Superintendent

Dated: _____