

State of New York
Banking Department

In the Matter of

Ace Mortgage Inc.

SETTLEMENT AGREEMENT

A Mortgage Broker registered pursuant to
Article 12-D of the Banking Law

(Respondent)

This Settlement Agreement ("Agreement") is made and entered into by and between Ace Mortgage Inc. ("Ace" or "Registrant") and the State of New York Banking Department ("Banking Department"), collectively ("the Settling Parties"), evidencing an agreement between the Settling Parties to resolve the violations cited herein by Ace of Section 3500.7(c) of HUD Regulation X – Real Estate Settlement Procedures Act (RESPA), upon and subject to the terms and conditions hereof.

RECITALS

Ace, with headquarters at 105-20 Liberty Avenue, Ozone Park, NY 11417, was granted a registration on March 07, 1995 to engage in business as a registered mortgage broker pursuant to Article XII-D of the New York Banking Law (the "Banking Law") by the Superintendent of Banks (the "Superintendent") of the State of New York Banking Department; and

Pursuant to Section 3500.7(c) of HUD Regulation X – Real Estate Settlement Procedures Act (RESPA), Registrant is required to provide a Good Faith Estimate consisting of an estimate, as a dollar amount or range of each charge which will be listed in Section L of HUD-1; and that the borrower will normally pay or incur at or before settlement based upon common practice in the locality of the mortgaged property. Each such estimate must be made in good faith and bear a reasonable relationship to the charge a borrower is likely to be required to pay at settlement, and must be based upon experience in the locality of the mortgaged property. As to each charge with respect to which the lender requires a particular settlement service provider to be used, the lender shall make its estimate based upon the lender's knowledge of the amounts charged by such provider; and

An examination of ACE as of June 30, 2007 conducted by the Banking Department found that ACE failed to disclose yield spread premiums on the Good Faith Estimate to twelve consumers; and ACE received yield spread premium totaling \$68,091 from lenders on loans to these twelve consumers; and

In a letter dated August 29, 2008, the Banking Department notified ACE by mail of failure to disclose yield spread premiums and directed ACE to make \$68,091 in restitution to these twelve consumers; and

In a letter dated December 1, 2008, ACE requested one year to make the restitution to twelve consumers; and

The Superintendent and ACE mutually agreed to resolve such violation by requiring ACE to paying consumer restitution totaling \$68,091 over a 14 month period. However, Ace failed to fully comply with the Settlement Agreement. To date, Ace has failed to pay \$28,605 to four consumers as listed on attachment schedule A.

II.

Settlement Terms and Conditions

The Superintendent and the registrant mutually agree to resolve such violation by the payment to the Banking Department in the amount of \$28,605 in two installments in lieu of commencing a hearing seeking revocation of the registration. Ace agrees to pay NYSBD with a certified or cashier's check of \$14,303 at the hearing on Wednesday, April 6; 2011.

The remaining \$14,302 is payable to the Banking Department within 45 days or by May 23, 2011. Ace understands that if they do not pay the balance of \$14,302, there will be an immediate revocation of their registration.

Any amounts the Banking Department is unable to refund to the final four consumers will be turned over as a fine.

III.

MISCELLANEOUS TERMS AND CONDITIONS

NOW, THEREFORE IT IS STIPULATED AND AGREED BY THE PARTIES HERETO AS FOLLOWS:

THAT, ACE agrees as follows:

1. ACE, fully understanding the terms and conditions of the Settlement Agreement (the "Agreement"), freely and voluntarily waives its right to a hearing on the violation cited and any all appeal relating to this matter;

2. ACE will take all necessary steps to ensure compliance with all applicable federal and state laws and regulations relating to its mortgage business;
3. ACE agrees to pay restitution of \$28,605 in two installments. \$14,303 to be paid by cashiers/official check at the time of hearing on April 6, 2011 and the remaining balance of \$14,302 in 45 days or by May 23, 2011.
4. All communication regarding this Settlement Agreement shall be sent to:

Rholda L. Ricketts
Deputy Superintendent of Banks
Mortgage Banking Department
New York State Banking Department
One State Street
New York, NY 10004

Edul Ahmad
President
Ace Mortgage Inc.
105-20 Liberty Avenue
Ozone Park, NY 11417

5. The provisions of this Settlement Agreement shall not bar, stop or otherwise prevent the Superintendent, or any state or federal agency or department, from taking any other action affecting Registrant, any of its current or former officers, directors, employees, or insiders, or their successors or assigns in connection with any matter relating to this Settlement Agreement. Nor shall this Agreement bar, estop or otherwise prevent the Superintendent from entering any other action affecting Registrant, any of its current or former officers, directors, employees, or insiders, or their successors or assigns in connection with any matters not covered by this Agreement.
6. No extension or waiver of the terms of this Settlement Agreement shall be binding on the Banking Department unless it is in writing and signed by the Superintendent or Deputy Superintendent.
7. Each provision of this Settlement Agreement shall remain effective and enforceable until stayed, modified, terminated or suspended in writing by the Superintendent or Deputy Superintendent.
8. The effective date of this Settlement Agreement is the date on which it is executed by the Superintendent or Deputy Superintendent.
9. The provisions of this Settlement Agreement are not confidential.

Agreed to and accepted:

New York State Banking Department

Ace Mortgage Inc.

by: _____
Rholda L. Ricketts
Deputy Superintendent of Banks

by: _____
Edul Ahmad
President

Dated: _____

Dated: _____