

*State of New York
Banking Department*

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In the Matter of

**MLD Mortgage Inc. D/B/A
The Money Store
B500824**

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 MLD Mortgage Inc. D/B/A The Money Store ("The Money Store") and the State of New York Banking Department ("Banking Department"), collectively ("the Settling Parties"), evidencing an agreement between the Settling Parties to resolve, without a hearing, the violations cited herein by The Money Store of Part 38 of the General Regulations of the Banking Board, 3 N.Y.C.R.R. Part 38, and Section 226.24 of Regulation Z of the Truth in Lending Act, 12 C.F.R. Section 226.24, upon and subject to the terms and conditions hereof.

I.

RECITALS

1. The Money Store, headquartered at 30 B Vreeland Road, Florham Park, New Jersey, 07932, was granted a license by the Banking Department on September 7, 2005 to engage in the business of a mortgage banker pursuant to Article XII-D of the New York Banking Law ("Banking Law").

2. Section 44 of the Banking Law provides, in part, that the New York Superintendent of Banks (“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. Part 38 Section 38.8 of the General Regulations of the Banking Board, provides that a mortgage banker may be subject to disciplinary action by the Banking 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.

4. The Economic Stimulus Act of 2008 provided tax rebates to low and middle income families, including a rebate of up to \$1,200 for a married couple filing a joint tax return.

5. From June 2008 to April 2009, The Money Store sent mail solicitations to New York homeowners (“the solicitation”). A copy of the solicitation is annexed as Exhibit A.

6. The solicitation prominently states “HOUSING STIMULUS REBATE: \$1200.00” and “APPROVAL CODE: (Consumer’s Last Name) 605-GVMT”. By prominently including these statements, the solicitation misleads consumers into falsely believing that the solicitation is directly from a government agency.

7. The solicitation emphasizes: “to collect your Housing Stimulus Rebate of \$1200.00 towards your home refinance, contact... 800-755-3992”. By including this statement, the solicitation misleads consumers into believing that they can collect their \$1200.00 government stimulus rebate by contacting The Money Store.

8. Accordingly, The Money Store violates GRBB Part 38.2(e), which provides that no mortgage banker shall fraudulently or deceitfully advertise a mortgage

loan, or misrepresent the terms, conditions or charges incident to a mortgage loan in any advertisement therefore.

9. The solicitation states a fixed rate of 4.50%. However, the solicitation fails to clearly and conspicuously disclose the annual percentage rate (“APR”). In fact the actual APR of 4.75% is disclosed only in small print on the reverse side of the solicitation.

10. Accordingly, the solicitation violates Regulation Z under the Truth in Lending Act, Section 226.24(b), which provides: “If an advertisement states a rate of finance charge, it shall state the rate as an “annual percentage rate”, using that term... The advertisement shall not state any other rate, except that a simple annual rate or periodic rate that is applied to an unpaid balance may be stated in conjunction with, but no more conspicuously than, the annual percentage rate.”

11. The solicitation states 30B Vreeland Road, Florham Park, NJ 07932, as the Money Store’s street address. However, the solicitation fails to provide the address for The Money Store’s New York office. The Money Store has a New York office located at 42 Richmond Terrace, Staten Island, NY 10301.

12. Accordingly, the solicitation violates GRBB Part 38.2(b), which provides: “any advertisement by ... a mortgage banker ... must indicate a street address of any one of its offices in New York State.”

II.

SETTLEMENT TERMS AND CONDITIONS

The Money Store is willing to resolve the violations cited herein by entering into this Agreement and freely and voluntarily waives its right to a hearing under Banking Law Section 595 on such violations. Therefore, in consideration of the promises and covenants set forth herein, the Settling Parties agree, as follows:

1. The Money Store 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 the Federal Truth-In-Lending Act and Regulation Z , Fair Credit Reporting Act and regulations thereto, Article 12-D of the Banking Law and Part 38 of the General Regulations of the Banking Board; and
- b. ensuring that its advertisements do not mislead consumers as to the identity of the party offering credit; and
- c. clearly identifying itself by name and an approved office address located in New York in any advertisement targeted to New York consumers;

2. The Money Store agrees to develop appropriate written advertisement policies and procedures designed to ensure compliance with all applicable federal and state laws, regulations, supervisory requirements and guidances. 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 the Guidance Letters; and (ii) establish a training program to ensure that The Money Store and its employees involved in preparing or approving advertisements understand all applicable federal and state laws, regulations, supervisory requirements and the Guidance Letters.

3. Within ninety (90) days from the effective date of this Agreement, The Money Store agrees to submit a draft of its advertisement policies and procedures to the Banking Department.

4. Within one hundred twenty (120) days from the effective date of this Agreement, The Money Store agrees to submit a copy of its final advertisement policies and procedures to the Banking Department together with a letter from an authorized officer

of The Money Store indicating his/her approval of such policies and procedures. The Money Store further agrees to provide copies of all advertisements run by it for the twelve (12) month period following the effective date of this Agreement.

5. The Money Store agrees to pay a fine of \$ 7,000. The Money Store further agrees that such payment will be made in immediately available funds in accordance with Banking Department payment instructions.

III.

MISCELLANEOUS TERMS AND CONDITIONS

1. The Settling Parties acknowledge that The Money Store's failure to comply with any of the settlement terms and conditions of this Agreement may result in the Banking Department taking action to revoke The Money Store 's license to engage in the business of a mortgage banker under Article 12-D of the Banking Law.

2. The Settling Parties acknowledge 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 The Money Store, 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. This effective date of this Agreement is the date on which it is executed by the Deputy Superintendent of Banks for Mortgage Banking.

6. All written communications to the Banking Department regarding this Agreement should be sent as follows.

Attention:

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

7. All written communications to The Money Store regarding this Agreement should be sent as follows.

Attention:

Mr. Lawrence A. Dear
MLD Mortgage Inc. D/B/A The Money Store
30 B Vreeland Road
Florham Park, NJ 07932

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.

By: _____
Mr. Lawrence A. Dear
MLD Mortgage Inc. D/B/A The Money Store

Dated: _____

By: _____
Rholda L. Ricketts
Deputy Superintendent of Banks
State of New York Banking Department

Dated: _____