

State of New York
Banking Department

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In the Matter of

AMBASSADOR FUNDING LLC
A006825

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 Ambassador Funding LLC. ("Ambassador") 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 Ambassador of Part 38 of the General Regulations of the Banking Board ("GRBB"), and 3 N.Y.C.R.R. Part 38, upon and subject to the terms and conditions hereof.

I.

RECITALS

1. Ambassador, headquartered at 300 Saddle River Road, Airmont, New York 10952 was granted a registration by the Banking Department on December 27, 2006 to engage in the business of a mortgage broker 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 ("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. Part 38 Section 38.8 of the General Regulations of the Banking Board, provides that a mortgage broker 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 broker.

4. In 2008, Ambassador sent 5,000 mail solicitations to New York homeowners (“the solicitation”). A copy of the solicitation is annexed as Exhibit A.

5. The solicitation letter prominently states “FINAL NOTICE FILED ON: 11/03/2008” in the heading. The space that is normally occupied by the name and address of the sender of the letter was left blank. Ambassador’s name is only included in small print on the bottom of the page with no indication that Ambassador is the sender of the letter.

6. The solicitation letter also prominently states the following: the name of the consumer’s mortgage lender, “Customer ID. #: GNYA1234-5678”, and “Sincerely, Loan Processing Center”.

7. By failing to identify Ambassador as the sender of the letter and by including the statements referenced in item 6, the mail solicitation appears to be from the consumer’s mortgage lender, when, in fact, it is not. This is viewed as a misleading and deceptive practice.

8. In addition, by prominently stating “FINAL NOTICE” and “Loan Processing Center”, the solicitation misleads consumers to believe that it is a final loan notice, which requires their immediate action.

9. Accordingly, Ambassador’s solicitation violates GRBB Part 38.2(e), which provides that no mortgage broker shall fraudulently or deceitfully advertise a mortgage loan, or misrepresent the terms, conditions or charges incident to a mortgage loan in any

advertisement therefore.

10. Ambassador also failed to include the legend “Registered Mortgage Broker – NYS Banking Department”, in the solicitation letter. The solicitation therefore violates Part 38.2(a) of the General Regulations of the Banking Board (“GRBB”), which requires a mortgage broker to include this legend, or words to like effect, in advertisements, including solicitations.

11. Ambassador also failed to include the street address of its office in New York State. The solicitation therefore violates GRBB Part 38.2(b), which requires a mortgage broker to include the street address of any one of its office address in advertisements.

12. Ambassador also failed to disclose the fact that Ambassador arranges mortgage loans with third party providers. The solicitation therefore violates GRBB Part 38.2(d), which requires advertisements by a mortgage broker make this disclosure.

II

SETTLEMENT TERMS AND CONDITIONS

Without admitting or denying the Department’s findings, Ambassador 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. Ambassador 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 , Article 12-D of the Banking Law, and Parts 38 of the General Regulations of the Banking Board; and

- b. ensuring that its advertisements do not mislead consumers as to the terms and conditions of credit it is offering and that such advertisements disclose clearly and conspicuously the existence of material terms, conditions, and limitations relating to any advertised offer of credit; and
- c. ensuring that it will not advertise terms or conditions of credit using footnotes, asterisks, small print and color contrasts that materially contradict or modify the principal message of its advertisements.

2. Ambassador 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.

3. 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, regulations, and truth in advertising guidelines; (iii) establish a mechanism for ensuring that all applicable laws, regulations, and truth in advertising guidelines are met; and (iv) establish a training program to ensure that Ambassador and its employees involved in preparing or approving advertisements understand all applicable federal and state laws, regulations, and truth in advertising guidelines.

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

5. Within one hundred twenty (120) days from the effective date of this Agreement, Ambassador 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 Ambassador indicating his/her approval of such policies and procedures. Ambassador

further agrees to provide copies of all advertisements run by it for the twelve (12) month period following the effective date of this Agreement.

6. Ambassador agrees to pay a fine of \$ 5,000. Ambassador 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 Ambassador'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 Ambassador's registration to engage in the business of a mortgage broker 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 Ambassador, any of its current or former owners, officers, directors, employees, or insiders, or their successors.

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 Ambassador regarding this Agreement should be sent as follows.

Attention:

Mr. Benjamin Michael Adams
Ambassador Funding LLC
300 Saddle River Road
Airmont, NY 10952

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: _____

Benjamin Michael Adams
Ambassador Funding LLC

Dated: _____

By: _____

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

Dated: _____