New York State

Department of Financial Services

_____ X
In the Matter of

Guaranteed Rate, Inc.
B500887

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 Guaranteed Rate, Inc. ("GRI") and the New York State Department of Financial Services (the "Department"), collectively (the "Settling Parties"), evidencing an agreement between the Settling Parties to resolve, without a hearing, the alleged violations of Part 38 of the General Regulations of the Banking Board ("General Regulations"), and New York Banking Law ("Banking Law") Article 12-D, cited herein by the Department upon, and subject to the terms and conditions hereof.

I.

RECITALS

1. GRI, headquartered at 3940 North Ravenswood, Chicago, IL 60613, was granted a license by the Department on July 10, 2008 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 Name

4. In December 2010, GRI placed an online advertisement, through a third party, promoting New York residential mortgages on www.nycmortgage.com, an unaffiliated website. A sample of the advertisement is annexed as Exhibit A.

5. GRI failed to obtain authorization from the Department to utilize the domain name www.nycmortgage.com to conduct New York regulated residential mortgage activities.

6. 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.

7. As a result, the Department views an unauthorized domain name as an unauthorized business address; therefore, the unauthorized domain name www.nycmortgage.com is an unauthorized business address.

8. The use of an unauthorized location by GRI is a violation of Article 12-D

Section 591(3) of the Banking Law, which requires licensees to apply for and receive permission prior to using a specific business address.

Required Disclosures

9. The advertisement failed to include the required legend "Licensed Mortgage Banker – NYS Banking Department."

10. Therefore, the advertisement violated General Regulations Section 38.2(a), which provides that no mortgage banker shall advertise its business in New York without including the legend "Licensed Mortgage Banker – NYS Banking Department" or words to like effect.

11. The advertisement failed to state a street address of an office.

12. Therefore, the advertisement violated General Regulations Section 38.2(b), which requires that mortgage banker advertisements include a street address of any one of its offices in New York State or, if the entity is not located in New York State, the street address of any one office outside New York.

II.

SETTLEMENT TERMS AND CONDITIONS

GRI is willing to resolve the violations alleged 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. GRI 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. ensuring that it will not utilize an unauthorized domain name or website to conduct New York regulated residential mortgage loan business;

c. not conducting or transacting business in this state under any assumed name or designation using any website, domain, or other name that has not been approved by the Superintendent;

d. ensuring that its advertisements do not otherwise 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

e. ensuring that it will not advertise terms of credit using footnotes, asterisks, small print and color contrasts that materially contradict or modify the principal message of its advertisements, and will disclose clearly and conspicuously all material information.

2. GRI agrees to develop appropriate written advertisement 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, regulations, and truth in advertising guidelines;

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

3. Within ninety (90) days from the effective date of this Agreement, GRI agrees to submit a draft of its advertisement 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, GRI agrees to submit a copy of its final advertisement policies and procedures to the Department together with a letter from an authorized officer of GRI indicating his/her approval of such policies and procedures.

5. GRI 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. GRI agrees to pay a fine of $ 5,000.

7. GRI 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. The Settling Parties acknowledge that GRI's failure to comply with any of the settlement terms and conditions of this Agreement may result in the Department taking action to revoke GRI'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 GRI, 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 GRI regarding this Agreement should be sent as follows.

Attention:

Victor Francis Ciardelli, III,
President/CEO
Guaranteed Rate, Inc.
3940 North Ravenswood
Chicago, IL 60613

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.

Guaranteed Rate, Inc.

By: _____

Victor Francis Ciardelli, III,
President/CEO

Dated: _____

New York State Department of Financial Services

By: _____

Rholda L. Ricketts
Deputy Superintendent

Dated:_____