

New York State

Department of Financial Services

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In the Matter of

**ATLANTIC HOME LOANS, INC.
B500932**

**[formerly AHL HOME FUNDING
IN LIEU OF ATLANTIC HOME LOANS, INC.
A005840]**

SETTLEMENT AGREEMENT

A Licensed Mortgage Banker 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 Atlantic Home Loans, Inc. ("Atlantic") and the New York State Department of Financial Services ("Department"), collectively ("Settling Parties"), evidencing an agreement between the Settling Parties to resolve, without a hearing, the violations cited herein by Atlantic of Part 38 of the General Regulations of the Banking Board ("GRBB"), and Section 3500.7 of HUD Regulation X, Real Estate Settlement Procedures Act upon and subject to the terms and conditions hereof.

I.

RECITALS

1. Atlantic, formerly known as AHL Home Funding in lieu of Atlantic Home Loans, Inc.; headquartered at 20 Chapin Road, Unit 1013A, Pine Brook, New Jersey 07058 was granted a registration by the Department on January 13, 2004 to engage in the business of a mortgage broker pursuant to Article XII-D of the New York Banking Law ("Banking Law"). Subsequently, Atlantic voluntarily surrendered the mortgage broker registration on

October 28, 2009. On the same day, October 28, 2009, Atlantic Home Loans, Inc. was granted a license by the Department to engage in the business of a mortgage banker pursuant to Article XII-D of the Banking Law. The Agreement pertains to the time period Atlantic operated as a mortgage broker and not as a mortgage banker and therefore Atlantic will be referred to as "the broker" for clarity in Sections I and II only.

2. Section 44.1(a) of the Banking Law provides, in part, that the New York Superintendent ("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 banker or 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 a mortgage broker.

4. An examination of Atlantic by the Department as of April 30, 2009 cited violations of Part 38 of the General Regulations of the Banking Board and section 3500 of HUD Regulation X, Real Estate Settlement Procedures Act.

5. Atlantic failed to properly disclose settlement charges and compensation as required by laws and regulations.

6. Atlantic violated Part 38.3(a)(1)(v) and Part 38.3(a)(1)(vii) of the General Regulations of the Banking Board, which requires that a registrant properly disclose application, credit report, property appraisal, and processing fees and the maximum consideration, including Yield Spread Premiums, fees, and points payable by the lender to the mortgage broker on pre-application forms prior to taking any application.

7. Atlantic violated section 3500.7(c) of HUD Regulation X, Real Estate Settlement

Procedures Act which requires that a registrant properly disclose application, credit report, property appraisal, and processing fees and the maximum consideration, including Yield Spread Premiums, fees, and points payable by the lender to the mortgage broker on Good Faith Estimates.

II

SETTLEMENT TERMS AND CONDITIONS

Without admitting or denying the Department's findings, Atlantic 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 Sections 44 and 598 on such violations. Therefore, in consideration of the promises and covenants set forth herein, the Settling Parties agree, as follows:

Atlantic 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.

1. Atlantic agrees to pay a fine of \$ 25,000. Atlantic further agrees that such payment will be made in two installments over a period of not more than 12 months in accordance with Department payment instructions.

2. Atlantic agrees to immediately refund \$ 10,425.40 to affected customers as previously directed by the Department.

III.

MISCELLANEOUS TERMS AND CONDITIONS

1. The Settling Parties acknowledge that Atlantic's failure to comply with any of the settlement terms and conditions of this Agreement may result in the Department taking action to revoke Atlantic'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 Atlantic, 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 Division.

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

Attention:

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

7. All written communications to Atlantic regarding this Agreement should be sent as follows.

Attention:

Sharon DeVries
Atlantic Home Loans, Inc.
20 Chapin Road, Unit 1013A
P.O. Box 2006
Pine Brook, NJ 07058

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: _____

Edmund Buchser, III, CEO
Atlantic Home Loans, Inc.

Dated: _____

By: _____

Rholda L. Ricketts
Deputy Superintendent
Department of Financial Services

Dated: _____