

New York State Department
of Financial Services

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In the Matter of

**United Northern Mortgage Bankers Limited
D/B/A Senior Security Home Advantage
B500040**

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 United Northern Mortgage Bankers Limited D/B/A Senior Security Home Advantage ("United Northern") 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, violations of Part 38 of the General Regulations of the Banking Board (the "General Regulations"), Article 12-D and Article 12-E of the New York Banking Law (the "Banking Law"), cited herein by the Department, upon and subject to the terms and conditions hereof.

I.

RECITALS

1. United Northern, headquartered at 3601 Hempstead Turnpike, Suite 300, Levittown, NY 11756, was granted a license by the Department on February 2, 1984 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.

4. During February and March 2011, United Northern sent 10,000 mail solicitations (the "Advertisements") to New York consumers. Samples of the Advertisements are annexed as Exhibit A and Exhibit B.

Misleading Terms

5. Exhibit A provided a "HomeOwner Eligibility Number NY3646304118" and stated that "This is a Special Program developed by the U.S. Government...". In addition, the envelope stated that the Advertisement was a "Time Sensitive Document – Senior Benefits Enclosed," with a warning of "\$2000 FINE, 5 YEARS IMPRISONMENT, OR BOTH FOR ANY PERSON INTERFERING OR OBSTRUCTING WITH DELIVERY OF THIS LETTER."

6. The envelope also failed to provide the name and address of the sender. The Advertisement also failed to state the address of the sender. The fact that the sender is United Northern is disclosed only in small print at the bottom of the Advertisement.

7. The Advertisement attached as Exhibit B provided that the Advertisement was an "IMPORTANT NOTICE." It also provided a "REFERENCE NUMBER NY378742551" in its heading.

8. The Exhibit B Advertisement also failed to clearly and conspicuously state the name and address of the sender. The fact that the sender is United Northern is disclosed only in small print at the bottom of the Advertisement.

9. By failing to clearly and conspicuously disclose United Northern as the sender of the Advertisements, and by including the information described in paragraphs 5 and 7, the Advertisements could easily mislead consumers into believing that the advertised services were sponsored, approved or endorsed by a government agency.

10. Accordingly, United Northern violated Section 38.2(e) of the General Regulations, 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 therefor.

11. The Exhibit B Advertisement also promised a "Quick and easy approval."

12. By stating "Quick and easy approval," the Advertisement could mislead consumers into believing that they could receive immediate approval of their loan applications.

13. Accordingly, the Exhibit B Advertisement also violated Section 38.2(e) of the General Regulations, 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 therefor and, in particular, Section 38.2(e)(1) thereof, which provides that an advertisement shall be deemed fraudulent, deceitful or misleading if it advertises "immediate approval" of a loan application or "immediate closing" of a loan.

14. The Advertisements also failed to disclose the street address of any one of United Northern's offices in New York.

15. Accordingly, United Northern violated Section 38.2(b) of the General Regulations, which provides that any advertisement by a mortgage banker must indicate the name of the entity and a street address of any one of its offices in New York State.

16. Finally, the Advertisements also failed to state the unique identifier of United Northern, which is NMLS No. 7230.

17. Accordingly, United Northern violated Section 599-p of the Banking Law, which provides that the unique identifier of any person originating a residential mortgage loan shall be clearly shown on all solicitations or advertisements.

II.

SETTLEMENT TERMS AND CONDITIONS

United Northern 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 with respect to the cited violations. Therefore, in consideration of the promises and covenants set forth herein:

1. United Northern 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, Section 599-p of the Banking Law, and Part 38 of the General Regulations; and
- b. ensuring that its advertisements do not mislead consumers to believe that its advertisements are sponsored, approved or endorsed by a government agency; and

- c. ensuring that it does not advertise immediate approval of loans, including the use of words such as “Quick and easy approval.”

2. United Northern agrees to develop appropriate written advertising policies and procedures in order to ensure compliance with all applicable federal and state laws, regulations, supervisory requirements and guidance letters. 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 guidance letters; and (ii) establish a training program to ensure that United Northern and its MLO and non-MLO employees understand all applicable federal and state laws, regulations, supervisory requirements and guidance letters.

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

4. Within one hundred twenty (120) days from the effective date of this Agreement, United Northern agrees to submit a copy of its final advertisement policies and procedures to the Department together with a letter from an authorized officer of United Northern indicating his/her approval of such policies and procedures.

5. United Northern agrees to pay a fine of \$ 10,000.

6. United Northern 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. United Northern acknowledges that its failure to comply with any of the settlement terms and conditions of this Agreement may result in the Department taking action to revoke United Northern's license to engage in the business of a mortgage banker under Article 12-D of the Banking Law.

2. United Northern acknowledges 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 United Northern, any of its current or former owners, officers, directors, employees, or insiders, or their successors or assigns with respect to any other matter or matters whether related or not to the violations cited herein.

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 United Northern regarding this Agreement should be sent as follows.

Attention:

Don Giorgio
President
United Northern Mortgage Bankers Limited
D/B/A Senior Security Home Advantage
3601 Hempstead Turnpike, Suite 300
Levittown, NY 11756

8. This Agreement is not confidential, and each of the Settling Parties understands that it is available to the public.

WHEREFORE, the Settling Parties hereto have caused this Agreement to be executed.

United Northern Mortgage Bankers Limited.
D/B/A Senior Security Home Advantage

By: _____

Don Giorgio
President

Dated: _____

New York State Department of Financial Services

By: _____

Rholda L. Ricketts
Deputy Superintendent

Dated: _____