

New York State Department of
Financial Services

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In the Matter of

The Funding Source, LLC
Mortgage Banker License No. B500697

SUSPENSION ORDER
Issued Pursuant to Section 595(2)
of the New York Banking Law

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Whereas, the New York State Department of Financial Services (the “Department”), has jurisdiction over the licensing and regulation of entities engaged in the business of mortgage banking in New York pursuant to the New York State Banking Law (the “Banking Law”);

Whereas, **The Funding Source, LLC** (the “Company”) having its principal office located at 906 Spencer Street, 2nd. Floor, Syracuse, New York 13204, was licensed by the Department on November 1, 2001 (“License”) as a mortgage banker pursuant to Article XII-D of the Banking Law;

Whereas, the Company’s Line of Credit in an amount of not less than \$1,000,000, required pursuant to 3 NYCRR Part 410.1(b)(2), expired on March 15, 2014 and to date, the Company has failed to demonstrate to the Department that it has an effective Line of Credit;

Whereas, the Company’s corporate surety bond, required pursuant to 3 NYCRR Part 410.1(b)(3), was cancelled effective March 7, 2014 and to date, the Company has failed to provide the Department with a replacement corporate surety bond;

Whereas, the Department has made multiple attempts to contact the Company without success, and based on media reports, it appears that the Company’s principal office at 906 Spencer Street, 2nd Floor, Syracuse, New York may have been vacated/closed without notifying the Department;

Whereas, on January 10, 2014, the Commissioner of Banks, State of North Carolina, revoked the Company’s mortgage lending license, pursuant to a Consent Order, finding that the Company “demonstrated a lack of control and supervision and financial responsibility, character and general fitness for licensure pursuant to N.C Gen. Stat. §§ 53-244.040 and 53-244.060,” and the Company failed to notify the Department of this revocation, in violation of 3 NYCRR Part 38.10;

Whereas, pursuant to Section 595(2) of the Banking Law, the Superintendent may, for good cause shown, or where there is substantial risk of public harm, suspend a mortgage banker's license for a period not exceeding 30 days, pending investigation;

Whereas, the closure of the principal office of the Company, its failure to respond to inquiries from the Department, its failure to maintain a confirmed line of credit, and its failure to maintain a surety bond, evidences the likelihood that the Company has defaulted or is likely to default on its financial obligations, thereby constituting "good cause" within the meaning of Section 595(2) of the Banking Law; and

Whereas, in light of the foregoing, there is a substantial risk of public harm within the meaning of Section 595(2) of the Banking Law.

NOW THEREFORE, it is hereby ordered by the Superintendent that, pursuant to the authority granted under the provisions of Section 595(2) of the Banking Law, the Company's License be suspended, for a period not to exceed 30 days from the date of this Order. Pursuant to Section 595(5) of the Banking Law, this suspension shall not impair or affect the obligation of any pre-existing lawful contract between the Company and any person.

Witness, my hand and official seal of the Department of Financial Services at the City of New York, this ___ day of March in the Year two thousand fourteen.

Daniel M. Burstein
Executive Deputy Superintendent

On behalf of Benjamin M. Lawskey
Superintendent of the New York
State Department of Financial
Services