

New York State  
Department of Financial Services

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In the Matter of

**Select Portfolio Servicing, Inc.**  
**S000014**

**SETTLEMENT AGREEMENT**

A Registered Mortgage Loan Servicer 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 Select Portfolio Servicing, Inc. ("SPS") and the New York State Department of Financial Services (the "Department" and collectively with SPS, the "Settling Parties") to address the violation of Part 418.5(a) of the Superintendent's Regulations.

**I.**

**RECITALS**

1. SPS, headquartered at 3217 S. Decker Lake Drive, West Valley City, UT 84119, was granted a registration by the Department on April 2, 2012 to engage in the business of a mortgage loan servicer ("MLS") pursuant to Article 12-D of the New York Banking Law (the "Banking Law").

2. Sections 44 and 598 of the Banking Law provide, in part, that the Superintendent of Financial Services ("Superintendent") may, in a proceeding after notice and a hearing, require a registered MLS to pay to the people of this State a penalty for any violation of the Banking Law and/or regulation promulgated thereunder.

3. Part 418.10 of the Superintendent's Regulations provides that the superintendent may impose a fine against an MLS for any violation of the Banking Law, any regulation

promulgated thereunder, any final or temporary order issued pursuant to section 39 of the Banking Law, any condition imposed in connection with the grant of any application or request or any written agreement entered into with the superintendent, or any conduct which would constitute grounds for revocation or suspension of the registration of such MLS.

### **UNAUTHIRUZED BRANCHES**

4. Based on an examination of SPS, conducted as of March 31, 2013, the Department discovered that SPS utilized unauthorized branches located at 3839 S. West Temple, Salt Lake City, Utah 84115; 3809 S. West Temple, Salt Lake City, Utah 84115; 3902 S. West Temple, Salt Lake City, Utah 84115; and 92 W. 3900 South, Salt Lake City, Utah 84107 to operate a mortgage loan servicing business for properties located in New York State, for a period including March 2013 to December 2013.

5. According to the Department's records, the aforementioned branches were not registered with the Department nor authorized by the Department to operate a mortgage loan servicing business for properties located in New York State.

6. Accordingly, SPS violated Part 418.5(a) of the Superintendent's Regulations, which states in part that an MLS may apply to open and maintain one or more branches. A branch may be applied for by application containing the information and documents set forth in an application form prescribed by the superintendent.

## **II.**

### **SETTLEMENT TERMS AND CONDITIONS**

SPS is willing to resolve the violations 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. SPS 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 loan servicing business, including, but not limited to:

- a. complying with the requirements of Article 12-D of the Banking Law, and Part 418.5(a) of the Superintendent's Regulations;
- b. not operating mortgage loan servicing business at any location that has not been approved by the Superintendent;
- c. ensuring that its staff does not engage in operating mortgage loan servicing business at unauthorized locations; and
- d. ensuring that it will provide appropriate training for its employees regarding the establishment of or the change of branch locations.

2. Within ninety (90) days from the effective date of this Agreement, SPS agrees to submit a draft of its compliance policies and procedures to the Department.

3. Within thirty (30) days of receipt of non-objection or any comments from the Department, and after incorporation and adoption of all comments, SPS agrees to submit a copy of its final compliance policies and procedures to the Department together with a letter from an authorized officer of SPS indicating his/her approval of such compliance policies and procedures.

4. SPS agrees to pay a fine of \$20,000.

5. SPS 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. SPS 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 SPS' registration to engage in the business of a MLS under Article 12-D of the Banking Law.

2. SPS 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 SPS, 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 her designee.

4. This Agreement shall be enforceable and remain in effect unless stayed or terminated in writing by the Superintendent or her 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 SPS regarding this Agreement should be sent as follows.

Attention:

Timothy O'Brien  
CEO  
Select Portfolio Servicing, Inc.  
3217 South Decker Lake Drive  
West Valley City, UT 84119-3284

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.

Select Portfolio Servicing, Inc.

By: \_\_\_\_\_

Timothy O'Brien  
CEO

Dated: \_\_\_\_\_

New York State Department of Financial Services

By: \_\_\_\_\_

Rholda L. Ricketts  
Deputy Superintendent

Dated: \_\_\_\_\_