

NEW YORK STATE DEPARTMENT OF
FINANCIAL SERVICES

In the Matter of

JET DIRECT FUNDING CORP. D/B/A
JET DIRECT MORTGAGE

SETTLEMENT AGREEMENT

B500903

A Licensed Mortgage Banker Pursuant To
Article XII-D of the New York Banking Law

This Settlement Agreement (“Agreement”) is made and entered into by and between Jet Direct Funding Corp. d/b/a Jet Direct Funding (“JDF”) and the New York State Department of Financial Services (the “Department,” and collectively with JDF, the “Settling Parties”) evidencing an agreement between the Settling Parties to resolve, without a hearing, the violation cited herein of 3 NYCRR Section 420.18(a)(2), upon and subject to the terms and conditions hereof.

I.

RECITALS

1. JDF, headquartered at 111 West Main Street, Suite 110, Bay Shore, NY 11706, was licensed by the Department as a mortgage banker, pursuant to Article 12-D of the Banking Law, on February 26, 2008.

2. Sections 44 and 598 of the Banking Law provide, in part, that the Superintendent of Financial Services (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/or any regulation promulgated thereunder.

3. 3 NYCRR Section 38.8 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.

Failure to Monitor Mortgage Loan Originator's Loan Origination Activities

4. Mortgage bankers, such as JDF, are required to determine pursuant to 3 NYCRR Section 420.18 (a) (2), that as a condition of employment such Mortgage Loan Originators (“MLO”) in its employ “will engage in mortgage loan originating honestly, fairly and effectively.”

5. In contravention thereof, the Department has determined that during the period including August 2017, Eli B. Weissman (“Weissman”), an MLO sponsored by JDF, utilized a video commercial (“Commercial”) to solicit and promote mortgage loans relating to properties in New York State.

6. The Commercial prominently displayed Weissman's name, an unauthorized assumed name "Team Weissman", his NMLS No. and his contact information without JDF's information, and other required disclosures.

7. Specifically, Weissman stated in the Commercial that “as a direct lender, I have learned skills to find the lowest rate possible...] built the team of experts...” and “I hope we are the team you select when you are ready to buy a home.”

8. Additionally, Weissman used JDF's logo displayed at the bottom of the Commercial during its entirety without disclosing JDF is a licensed mortgage banker and he is an MLO employed by JDF.

9. By failing to monitor and/or curtail the improper actions of Weissman with relation to his in the mortgage loan originating activities, JDF violated 3 NYCRR Section 420.18 (a) (2).

II.

SETTLEMENT TERMS AND CONDITIONS

JDF freely and voluntarily waives its right to a hearing under Banking Law Sections 44 and 598 on such violations and agrees to take the actions listed below in order to redress the actions resulting in the violation cited herein.

1. JDF 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 3 NYCRR Part 38; and
- b. ensuring that its MLOs mortgage loan activities including advertisements do not mislead consumers into believing that such MLO is a mortgage broker or a mortgage banker.

2. JDF agrees to develop appropriate written compliance policies and procedures designed to ensure compliance with all applicable federal and state laws, regulations, supervisory requirements and guidance letters. The compliance 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 JDF and its employees involved in loan origination understand all applicable federal and state laws, regulations, supervisory requirements and guidance letters.

3. JDF agrees to pay a fine of \$5,000.

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

2. JDF 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 JDF, 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 for Mortgage Banking.

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

Attention:

Michael Spano
President and Chief Executive Officer
Jet Direct Funding Corp. d/b/a
Jet Direct Mortgage
111 West Main Street, Suite 110
Bay Shore, NY 11706

8. This Agreement is not confidential; therefore it is available to the public.

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

Jet Direct Funding Corp. d/b/a
Jet Direct Mortgage

By: _____/s/_____

Michael Spano
President and Chief Executive Officer

Dated: _____

New York State Department of Financial
Services

By: _____/s/_____

Rholda L. Ricketts
Deputy Superintendent

Dated: _____