

New York State  
Department of Financial Services

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In the Matter of

**REVERSE MORTGAGE FUNDING LLC**  
**NMLS NO. 1019941**

**SETTLEMENT AGREEMENT**

An Exempt 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 Reverse Mortgage Funding LLC ("RMF") and the New York State Department of Financial Services (the "Department" and collectively with RMF, the "Settling Parties") to address the violation of Part 590.2(b) of the New York Banking Law ("Banking Law").

**I.**

**RECITALS**

1. RMF, headquartered at 1455 Broad Street, 2<sup>nd</sup> Floor, Bloomfield, NJ 07003, was granted an exemption from the mortgage loan servicer ("MLS") registration requirements of Article 12-D and 3 NYCRR Part 418, by the Department in April 2014. It was not otherwise licensed or registered by the Department to engage in mortgage loan related activities.

2. Section 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 an entity to pay to the people of this State a penalty for any violation of the Banking Law and/or regulation promulgated thereunder.

## **UNAUTHORIZED LOAN ORIGINATING ACTIVITY**

3. RMF utilized a nationwide television commercial to solicit and promote reverse mortgage loans during a period including November 2016 (the "Commercial").

4. Specifically, the Commercial encouraged potential reverse mortgage loan borrowers to contact RMF about the reverse mortgage loan product.

5. According to the Department's records, RMF was not approved to conduct loan originating business in New York as a registered mortgage broker or a licensed mortgage banker during the period in question.

6. The Commercial, aired nationally, including in New York, did not contain any disclosures regarding its lack of authority to solicit and or originate reverse mortgage loans in New York.

7. Accordingly, RMF violated Part 590.2(b) of the Banking Law, which prohibits a "person, partnership, association, corporation or other entity [from] engag[ing] in the business of soliciting, processing, placing or negotiating a mortgage loan or offering to solicit, process, place or negotiate a mortgage loan in this state without first being registered with the superintendent as a mortgage broker."

## **II.**

### **SETTLEMENT TERMS AND CONDITIONS**

RMF is willing to resolve the violation 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. RMF 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 of the Superintendent's Regulations; and
- b. ensuring that it will not engage in loan originating activities without first being registered as a mortgage broker or licensed as mortgage banker.

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

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

4. RMF 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. RMF 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 terminate RMF's exempt status under Article 12-D of the Banking Law.

2. RMF 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 RMF, 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 RMF regarding this Agreement should be sent as follows.

Attention:

Craig Corn  
Chief Executive Officer  
Revere Mortgage Funding LLC  
1455 Broad Street, 2<sup>nd</sup> Floor  
Bloomfield, NJ 07003

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.

Reverse Mortgage Funding LLC

By: \_\_\_\_\_ / S / \_\_\_\_\_

Craig Cór  
Chief Executive Officer

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

New York State Department of Financial Services

By: \_\_\_\_\_ / S / \_\_\_\_\_

Rholda L. Ricketts  
Deputy Superintendent

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