

IN THE MATTER OF:

EXIT MORTGAGE LLC,

Respondent.

BEFORE THE MARYLAND
COMMISSIONER OF
FINANCIAL REGULATION

Case No.: CFR-FY2012-133

SETTLEMENT AGREEMENT AND CONSENT ORDER

This Settlement Agreement and Consent Order ("Agreement") is entered into and effective this 12th day of ~~February~~^{March}, 2012, by and between the Maryland Commissioner of Financial Regulation (the "Commissioner"), and Exit Mortgage LLC. ("Respondent"). The Commissioner and the Respondent (the "Parties") consent to the entry of this Agreement as a final resolution of this matter. All paragraphs below are intended to be part of the contractual obligations of the Parties hereto, so far as they may be so construed, and are not mere recitals to this Agreement.

1. Pursuant to the Maryland Mortgage Lender Law ("MMLL") (Annotated Code of Maryland, Financial Institutions Article ("FI") § 11-501 *et seq.*), the Commissioner is responsible for licensing and examining, *inter alia*, all mortgage lenders, brokers, and servicers in the State of Maryland (the "State").

2. The Commissioner conducted an examination of Respondent starting on April 26, 2011 and concluding on April 29, 2011 (the "2011 Examination"). Pursuant to the 2011 Examination, the Examiner's Findings determined that Respondent had committed numerous violations of Maryland mortgage lending laws, as well as engaging in unprofessional and

unacceptable business practices, including, in part, the following: 1) the employment of unlicensed mortgage loan originators who provided unlicensed mortgage loan origination services related to Maryland residential real property involving Maryland consumers, and for which Respondent collected impermissible compensation for such services; 2) finder's fees charged in excess of the amount provided for in the broker agreements; 3) unsigned broker agreements; 4) broker agreements not issued within ten (10) days of taking the loan application; 5) financing agreements not provided within ten (10) days of taking the loan application; and 6) failure to properly and securely maintain consumer loan files. The Examiner's further determined that Respondent failed to provide accurate responses to the Commissioner in response to the 2011 Examination. Similar violations were revealed during the previous examination of Respondent by the Commissioner in 2008. That at all times relevant to the facts stated herein, and presently, Respondent is duly licensed by the Commissioner as mortgage lender under the MMLL (License No.: 06-9665).

3. Without admitting or denying the facts as stated herein and the conclusions derived from the April 2011 examination, Respondent wishes to resolve the alleged violations without the need for administrative proceedings or other legal proceedings, to avoid the costs associated with such proceedings and any potential appeals, and therefore agrees to resolve this matter fully, finally, and completely without administrative charges being filed or administrative proceedings commenced, or an administrative hearing or injunction, and further accepts without condition, and fully agrees to abide by, each and every term set forth in this Agreement.

4. The Commissioner desires to ensure that Respondent will comply with all

applicable statutes, regulations, and others laws governing Maryland mortgage brokering and lending, and further wishes to resolve this matter without the need for administrative proceedings or other legal proceedings, and to avoid the costs to the taxpayers of an administrative hearing and any potential appeals.

5. Respondent agrees to take each and every one of the following actions in exchange for a final resolution of all allegations made herein:

a. Immediately upon execution and delivery of this Agreement, Respondent will make a refund to the following Maryland consumers in the amount specified:

Homeowner Name	Amount of Refund
1. [REDACTED]	\$483.87
2. [REDACTED]	\$40.00
3. [REDACTED]	\$4.64
4. [REDACTED]	\$4.05
5. [REDACTED]	\$16.70
6. [REDACTED]	\$4.07
7. [REDACTED]	\$6.44
8. [REDACTED]	\$6.44
9. [REDACTED]	\$8.56
10. [REDACTED]	\$8.56
11. [REDACTED]	\$34.26
12. [REDACTED]	\$8.56
13. [REDACTED]	\$6,060.00 ¹
14. [REDACTED]	\$1,172.20
15. [REDACTED]	\$650.00
16. [REDACTED]	\$1,325.00
17. [REDACTED]	\$1,794.00
18. [REDACTED]	\$804.52
19. [REDACTED]	\$1,509.00
20. [REDACTED]	\$1,355.00
21. [REDACTED]	\$2,885.00
TOTAL	\$18,180.87

¹ On January 18, 2012, pursuant to the direction of the Commissioner, Respondent sent this refund check to [REDACTED] in the amount of \$6,060.00.

Once the above-listed consumers are paid, and within a reasonable time after checks may be expected to clear, but no more than 60 days after full execution and delivery of this Agreement, Respondent will provide the Commissioner with proof of payment of the above-listed refunds. Payment made on each and every refund contemplated under this Settlement Agreement will be made by check, made payable to the Maryland consumer(s) at their last known address, or such updated address as can be identified through customary address verification means. If a Maryland consumer fails to cash a check then those funds will be transferred to the custody of the State Comptroller as "abandoned property" pursuant to Annotated Code of Maryland, Commercial Law Article, Title 17, and shall be administered for the benefit of the Maryland consumer(s) accordingly, however, each check will either be negotiated by the respective Maryland consumer or transferred to the State Comptroller as "abandoned property" within one (1) year from the date of execution of this Agreement;

b. Immediately upon execution and delivery of this Agreement, Respondent will remit a **ONE THOUSAND DOLLAR (\$1,000)** investigation fee to the Commissioner by money order or certified check made payable to the "Commissioner of Financial Regulation";

c. Immediately upon execution and delivery of this Agreement, Respondent will remit a **NINE THOUSAND DOLLAR (\$9,000)** civil penalty to the Commissioner by money order or certified check made payable to the "Commissioner of Financial Regulation";

d. Within 30 days after execution and delivery of this Agreement,

Respondent will retain an independent quality control firm, approved by the Commissioner, to provide residential mortgage loan compliance services for Respondent. This independent quality control firm will provide, in part, the following services: 1) a review of internal and/or external protocols and procedures to ensure that Respondent is, and will continue to be, in compliance with all its obligations and duties arising under TILA, RESPA, ECOA, GLBA, FCRA, HMDA, the SAFE Act, the Maryland Mortgage Lender Law, the Maryland Consumer Protection Act, the Maryland Mortgage Fraud Protection Act, Maryland's Discrimination in Housing law, and the Maryland Wet Settlement Act, any contract or agreement, or under any other applicable federal or state law; and 2) a quarterly review, for the quarter starting on January 1, 2012 and ending on December 31, 2013, of a random sampling of thirty percent (30%) of all loan files originated and/or settled upon in which Respondent provided loan origination, brokering, and/or lending services, with a report to be produced by the independent quality control firm each quarter during the timeframe described herein, with such reports to be retained by Respondent and to be provided, upon request and without delay, to the Staff of the Commissioner;

e. Respondent agrees to cooperate fully with all future requests for documentation, information, and records requested by the Staff of the Commissioner to determine compliance with the terms of this Agreement;

f. Respondent agrees that the Staff of the Commissioner may visit Respondents place of business approximately one year after the date of this Agreement to determine whether Respondent has complied with the terms of this Agreement. Follow-up

examinations may be scheduled every year for the next two years thereafter to ensure continued compliance with these terms. In lieu of an onsite examination, the Staff of the Commissioner shall, in its sole discretion, require Respondent, based on contacting Respondent by U.S. Mail at Respondent's licensed address and by e-mail at ijashnani@gmail.com, to submit a report confirming compliance with the terms of this Agreement. Respondent shall cooperate with the scheduling and execution of such examinations or reporting requirements in lieu of onsite examinations. Failure to cooperate in a reasonable manner shall constitute a violation of the terms of the Agreement. Further, the examination authority stipulated herein shall not be construed to affect in any way the Commissioner's authority and obligations to examine Respondent, and its shareholders, partners, directors, officers, principals, employees and representatives, under the provisions of the MMLL and/or the MMOL, or any other applicable statute or regulation;

g. Respondent will cease engaging in the activities which formed the basis for the Examiner's Findings, set forth above, and has specifically agreed, in part, to the following: 1) that all individuals acting as mortgage loan originators, as defined at FI § 11-601(q), shall maintain proper licensure under the MMOL and shall be W-2 employees of Respondent; 2) that all individuals acting as mortgage loan processors or underwriters, as defined at FI § 11-601(r), shall be W-2 employees of Respondent, however, if Respondent utilizes third-party loan processing services, such third-party vendor shall be properly licensed under the MMLL; 3) that Respondent will fully comply with each and every provision of the Maryland Finder's Fee Law (Annotated Code of Maryland, Commercial Law Article § 12-801 *et seq.*), as well as any other law regulating those fees collected by a mortgage broker or lender

as part of the mortgage lending process, including, but not limited to, not charging a finder's fee in excess of the amount provided for in the broker agreements, ensuring that all broker agreements are properly executed, and ensuring that all broker agreements are issued within ten (10) days of taking the loan application; 4) that all consumer loan files will be properly and securely maintained by Respondent; and 5) that Respondent will provide accurate and transparent responses to the Commissioner in any future examination.

6. Respondent acknowledges that it has voluntarily entered into this Agreement with full knowledge of its right to a hearing, arising from the allegations brought by the Commissioner based on the alleged violations, pursuant to MMLL, and the Maryland Administrative Procedures Act (Annotated Code of Maryland, State Government Article ("SG") § 10-201 *et seq.*), and that Respondent hereby waives its right to a hearing. Respondent further acknowledges that it has had an opportunity to consult with independent legal counsel in connection with the waiver of rights and with the negotiation and execution of this Agreement, and that Respondent has either consulted with independent legal counsel or has knowingly and voluntarily elected not to consult with counsel.

7. Respondent represents that it is currently in compliance with all applicable statutes, regulations, and others laws governing Maryland mortgage lending, brokering, and originating, and that the Respondent will continue to act in compliance at all future times.

8. The Parties hereto agree that this Agreement shall be binding and enforceable in court by the Commissioner and by Respondent, shall be admissible in court, and shall be binding upon and inure to any of Respondents' present and future owners, members, officers, employees, successors, and assigns.

9. The Parties hereto agree that any notices hereunder shall be effectively “delivered” when sent via overnight delivery or certified mail as follows:

a. To the Commissioner:

Commissioner of Financial Regulation
500 North Calvert Street, Suite 402
Baltimore, Maryland 21202-3651
Attn: Anne Balcer Norton, Deputy Commissioner

Copy to:
Jedd Bellman, Esq.
Assistant Attorney General
500 North Calvert Street, Suite 406
Baltimore, Maryland 21202-3651

b. To Respondent:

Exit Mortgage LLC
8850 Columbia 100 Parkway
Suite 215
Columbia, Maryland 21045
Attn: Indru Jashnani

Copy to:
Marjorie A. Corwin, Esq.
Gordon Feinblatt LLC
233 E. Redwood Street
Baltimore, Maryland 21202

NOW, THEREFORE, it is, by the Maryland Commissioner of Financial Regulation,
hereby

ORDERED that Respondent shall adhere to all terms of this Settlement Agreement
and Consent Order; and it is

ORDERED that the Respondent shall operate its business activities in full compliance
with all statutes, regulations, and other laws governing mortgage lending in the State of
Maryland, and shall continue to act in full compliance at all future times; and it is further

ORDERED that, in the event Respondent, or any of the owners, principals, directors, officers, managers, members, employees, or agents of Respondent, violate any provision of this Settlement Agreement and Consent Order, or otherwise engage in the activities which formed the basis for the allegations set forth above, the Commissioner may, at the Commissioner's discretion, take any enforcement actions available under FI § 11-517 and FI § 2-115(b), as well as take any other enforcement actions as permitted by, and in accordance with, applicable State law; and it is further


ORDERED that this matter shall be resolved in accordance with the terms of this Settlement Agreement and Consent Order and the same shall be reflected among the records of the Office of the Commissioner of Financial Regulation; and it is further

ORDERED that this document shall constitute a Final Order of the Maryland Commissioner of Financial Regulation and, that the Commissioner may consider this Settlement Agreement and Consent Order and the facts set forth herein in connection with, and in deciding, any action or proceeding before the Commissioner; and that this Settlement Agreement and Consent Order may, if relevant, be admitted into evidence in any matter before the Commissioner.

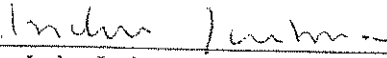
It is so **ORDERED**.

IN WITNESS WHEREOF, this Settlement Agreement and Consent Order is executed and effective on the day and year first above written.

**MARYLAND COMMISSIONER
OF FINANCIAL REGULATION**


By: Anne Balcer Norton,
Deputy Commissioner

EXIT MORTGAGE LLC


By: Indru Jashnani,
President/Managing Member