

**STATE OF VERMONT  
DEPARTMENT OF FINANCIAL REGULATION**

<b>In The Matter Of:</b>	)	
	)	
<b>MSA MORTGAGE, LLC</b>	)	<b>Docket No. 15 – 007 - B</b>
<b>Respondent</b>	)	

**SETTLEMENT AGREEMENT**

**Background**

1. The Commissioner is charged with administering and enforcing the lending laws of the State of Vermont, including 8 V.S.A. Chapters 73 and applicable Regulations which govern the conduct of licensed lenders and mortgage brokers. 8 V.S.A. §§ 11 and 12.
2. MSA Mortgage, LLC (“MSA”) is a Massachusetts limited liability company.
3. MSA currently holds two Vermont lender licenses and two Vermont mortgage broker licenses for two locations.
4. On April 29, 2004, MSA was issued Lender License No. 5480 and Mortgage Broker License No. 506 MB for a location at 5 Fremont Street, Winthrop, MA.
5. On July 25, 2007, MSA was issued Lender License No. 5989 and Mortgage Broker License No. 871 MB for a location at 18 Mad River Green, 2<sup>nd</sup> Floor, Waitsfield, VT.
6. The Department conducted an examination of MSA for the period January 1, 2011 through October 31, 2012.
7. The examination revealed that none of the files reviewed contained commitment letters. MSA asserts that it issued but failed to retain the commitment letters. Without a copy of the commitment letter, the Department cannot verify that MSA issued valid commitment letters. Based on this examination, the Department has alleged that MSA failed to issue valid commitment letters, in violation of 9 V.S.A. § 103 and Regulation B-98-1.
8. The Department’s prior two examinations of MSA, effective January 29, 2007 and December 31, 2010, found defective loan commitment letters. The 2012 examination was the third consecutive examination in which the Department found commitment letter violations.
9. MSA has denied any intentional wrongdoing on its part.
10. The parties wish to resolve this matter without administrative or judicial proceedings.

11. MSA and the Department expressly agree to enter into this Settlement Agreement in full and complete resolution of the commitment letter violations alleged in paragraphs 6, 7, and 8.

### **Stipulation and Agreement**

MSA and the Department hereby stipulate and agree as follows:

12. Although MSA neither admits nor denies the Department's allegations, MSA does not dispute that there is a factual basis for the Department's allegations in this Settlement Agreement.

13. MSA agrees to pay: (a) an administrative penalty to the Department of Financial Regulation in the amount of \$70,000; and (b) a \$5,000 payment to the VT DFR – Financial Services Education & Training Special Fund, which payments shall be made on or before June 5, 2015.

14. MSA shall issue commitment letters which comply with 9 V.S.A. §103 and Regulation B-98-1. MSA shall provide a copy of its current commitment letter for the Department to review and approve. MSA shall use the Department approved form of commitment letter.

15. MSA represents that in order to ensure future compliance with regard to commitment letters, it has already instituted the following:

- MSA has amended its pre-closing, quality control process to specifically check all Vermont mortgage loan applications to determine whether the commitment letter has been sent to the borrower and whether a copy of the commitment letter appears in the loan file.
- MSA has revised the Pre-Closing Quality Control Checklist to include the above requirement.
- In accordance with MSA's policies and procedures, an underwriter must complete the Pre-Closing Quality Control Checklist for each loan application file prior to being sent to MSA Mortgage's Closing Department.
- The underwriter must determine whether a copy of the applicant executed commitment letter appears in the loan file or expressly condition the scheduling of the loan closing on the receipt of the executed commitment letter.
- MSA has amended its post-closing quality control protocol to check to make certain that MSA Mortgage underwriters and closing personnel are fully complying with the above requirements.

16. In the event MSA fails to make the payments described in paragraph 13 on or before June 5, 2015, the Commissioner may, upon request from the Banking Division of the Department, issue an Order suspending, revoking, or terminating any or all of MSA's licenses and imposing additional administrative penalties. The Department's failure to exercise this option shall not constitute a waiver of the right to exercise such option at any other time.

17. The Department shall retain continuing jurisdiction in this matter until MSA has complied with the terms and conditions of this Settlement Agreement.

18. The Department may conduct an examination at any time to monitor MSA's compliance with the terms and conditions of this Settlement Agreement, or for any other reason.

19. This Settlement Agreement shall not prevent any person from pursuing any claim he or she may have against MSA, nor shall it be understood as determining whether any such claim may or may not exist in law or equity.

20. Nothing contained in this Settlement Agreement shall restrain or limit the Department in responding to and addressing any actual complaint filed with the Department involving MSA and the Department reserves the right to pursue restitution in connection with any complaint filed with the Department.

21. MSA knowingly and voluntarily waives any right it may have to judicial review by any court of these matters by way of suit, appeal, or extraordinary relief resulting from entry or enforcement of this Settlement Agreement.

### **ORDER**

#### **NOW THEREFORE, IT IS HEREBY ORDERED THAT:**

22. MSA shall comply with all agreements, stipulations, and undertakings as recited above.

23. MSA shall make the payments described in paragraph 13, which payments shall be made on or before June 5, 2015.

24. In the event MSA fails to make the payments described above on or before June 5, 2015, the Commissioner may, upon request from the Banking Division of the Department, issue an Order suspending, revoking, or terminating any or all of MSA's licenses and may impose additional administrative penalties. The Department's failure to exercise this option shall not constitute a waiver of the right to exercise such option at any other time.

25. This Order shall not prevent any person from pursuing any claim he or she may have against MSA.

26. Nothing contained in this Order shall restrain the Department from responding to and addressing any complaint involving MSA filed with the Department or shall preclude the Department from pursuing any other violation of law.

27. This Order shall not be construed as an adjudication of any violation of any Vermont law or federal law, except as specifically set forth herein.

**Vermont Department of Financial Regulation**

*Susan L. Donegan*  
Susan L. Donegan, Commissioner

Dated this 15<sup>th</sup> day of May, 2015.

**CONSENTED AND AGREED TO:**

**MSA Mortgage, LLC**

By: *[Signature]*

Dated this 12<sup>th</sup> day of May, 2015.

(Print Name: Robert L. Deeb)

Member

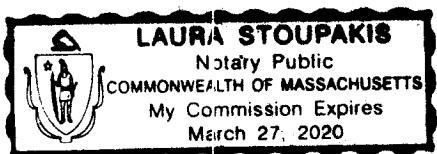
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STATE OF Massachusetts ) SS

COUNTY OF Suffolk )

On the 12<sup>th</sup> day of May, 2015, personally appeared Robert L. Deeb, being the Member / Partner and duly authorized representative of **MSA Mortgage, LLC** signer of the foregoing Settlement Agreement and acknowledged the same to be his/her free act and deed and the free act and deed of **MSA Mortgage, LLC**.

Before me, *[Signature]*



Notary Public

My commission expires March 27, 2020