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**MEDIA RELEASE**

**Conference of State Bank Supervisors**

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**American Association of Residential Mortgage Regulators**

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**State Regulators Announce 10-State Settlement with Mortgage Access Corporation D/B/A Weichert Financial Services**

WASHINGTON—The Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) today announced a 10-state settlement, in which Mortgage Access Corp. d/b/a Weichert Financial Services (MAC) headquartered in Morris Plains, New Jersey, agreed to remit a \$3 million penalty.

“The effectiveness of the multi-state effort as a platform to regulate large companies across the country, while enhancing consumer protection, is a testament to the states’ ability to modify the regulatory approach to better assess for compliance with applicable state and federal law,” said John Ducrest, Louisiana Commissioner of Financial Institutions and Chairman of CSBS.

The consent order between state mortgage regulators and MAC was executed following an examination conducted under the protocols of the Multi-state Mortgage Committee (MMC). The examination found numerous compliance and internal control deficiencies, including the origination or completion of mortgage loan applications by loan originators that were not licensed in the appropriate jurisdictions. The multi-state examination revealed that MAC failed to institute the proper oversight and controls to ensure compliance with applicable licensing and regulations in the various states it operates within. MAC permitted individuals unlicensed in particular states to participate in various aspects of the mortgage loan originator process, in violation of the states’ mortgage originator licensing requirements.

The major terms of the consent order require the company to:

- Reassess their internal routines regarding the oversight of loan originator activity and to implement appropriate technology that will prevent an application from being processed by an unlicensed individual;
- Implement a system that will allow for the full investigation of complaints submitted by consumers, state or federal agencies, or other individuals alleging that MAC has employees acting in the capacity of an unlicensed mortgage loan originator;

- Identify an independent auditing firm (“Auditing Firm”) to, at MAC’s expense, conduct a review of all mortgage loan applications taken from September 1, 2010 through March 31, 2011 for compliance with state mortgage licensing laws; and
- Refund certain fees to borrowers in the state of New York.

The foregoing must be memorialized in an Internal Control Plan that must be approved by the regulators, and MAC must remit a penalty of \$3 million to the 10 states that are party to the order.

“The multi-state mortgage examination program was initiated to enhance consumer protection, foster a culture of compliance within the industry, and hold individuals and entities accountable for actions which are not in compliance with applicable rules and regulations,” said Darin Domingue, Deputy Chief Examiner of the Louisiana Office of Financial Institutions and President of AARMR. “The licensing laws enacted by states, including testing and educational requirements, have been put into place to help ensure that the largest financial transaction most consumers will make is facilitated through qualified and licensed individuals.”

The ten state agencies included in the multi-state action are the Connecticut Department of Banking; the Kentucky Department of Financial Institutions; the Louisiana Office of Financial Institutions; the Massachusetts Division of Banks; the New Jersey Department of Banking and Insurance; the New York State Banking Department; the North Carolina Office of the Commissioner of Banks; the Pennsylvania Department of Banking; the Vermont Department of Banking, Insurance, Securities and Health Care Administration; and the Virginia Bureau of Financial Institutions.

The final consent agreement and order can be viewed [here](#).

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