

BEFORE THE ADMINISTRATOR OF CONSUMER CREDIT
STATE OF OKLAHOMA



STATE OF OKLAHOMA *ex rel.*)
DEPARTMENT OF CONSUMER CREDIT,))
)
Petitioner)
)
v.)
)
MORTGAGE CLEARING CORPORATION,))
)
Respondent)

Case No. 21-0006-DIS

CONSENT ORDER

Petitioner, State of Oklahoma *ex rel.* Department of Consumer Credit ("Petitioner") and Respondent, Mortgage Clearing Corporation, ("Respondent") voluntarily enter into this Consent Order as an informal disposition of this individual proceeding to avoid litigation. Respondent agrees to waive its right to a hearing under the Oklahoma Administrative Procedures Act and both parties agree as follows:

(1) Petitioner restates and incorporates by reference the allegations made by the Petitioner in the Notice and Order of Hearing filed in this matter.

i. Respondent is a domestic for profit business corporation under the jurisdiction of the State of Oklahoma, Oklahoma Secretary of State filing number 1900177803, active filing status.

ii. The licensing system of record for mortgage loan originators, mortgage lenders and mortgage brokers in the State of Oklahoma is NMLS.

iii. Respondent is licensed as a mortgage lender in the State of Oklahoma pursuant to the SAFE Act with the following licensing information indicated by NMLS:

(a) Oklahoma license number ML002573;

(b) NMLS unique identifier number/company ID 276905;

(c) Mailing address of record at 5612 S. Lewis, Tulsa, OK 74105;

iv. On October 26, 2020 through November 5, 2020, Scott Ferguson, Evan Earnest, Megan Patterson, Sherri Schroder, Danny Nguyen, David Perry and Christopher Williams, Consumer Credit Examiners, conducted an examination of Respondent. The examination scope consisted of reviewing data provided by Respondent and results from software that analyzed Respondent's loan portfolio for compliance with State and Federal lending laws and regulations. The exam team also reviewed a sample of Respondent's loan files, operating policies and procedures, and information submitted by Respondent to NMLS. During the course of the examination, alleged violations were found, as follows:

v. Respondent failed to list in Box 8 of form 1098, the address or description of the property securing the mortgage. This occurred in 12 transactions.

vi. Respondent failed to provide examiners any annual written statements disclosing the borrower's right to PMI cancellation or termination and an address and telephone numbers that the borrower may use to contact the servicer to determine whether the borrower may cancel PMI.

vii. Respondent failed to maintain the requested coupon books to be able to facilitate a regulatory examination.

viii. Respondent regularly took payments in excess of the required monthly amount and neither applied those funds nor placed those funds in a suspense or unapplied funds account. The additional funds were added to the consumer's escrow account, and no written notice of the funds being held in suspense was provided to the consumer. This occurred in 1 loan transaction.

ix. Respondent failed to provide consumers with a notice of approval, notice of adverse action, or a notice of incompleteness within 30 days of receiving the application. This occurred in 4 transactions.

x. Respondent failed to refund the escrow surplus to the borrower within 30 days of the date of the analysis. This occurred in 7 transactions.

xi. Respondent did not provide the Homeownership Counseling Disclosure within 3 business days after receiving a completed application. This occurred in 1 transaction.

xii. Respondent failed to provide the initial Loan Estimate no later than 3 business days after the date of application. This occurred in 1 transaction.

xiii. An Oklahoma consumer indicated their intent to proceed with a loan; however, Respondent provided the consumer with a revised Loan Estimate that contained an expiration date that indicated when the estimated closing costs expired and failed to leave the date and time in which the estimated closing costs expired blank. This occurred in 5 transactions.

xiv. The Loan ID number that was disclosed on the Loan Estimate by Respondent was not the same Loan ID number disclosed on closing or final documents. This occurred in 27 transactions.

(2) Respondent does not admit to the allegations made by the Petitioner in the Notice and Order of Hearing filed in this matter, and incorporated by reference in this Consent Order, except that Respondent admits the facts necessary to establish the Department's jurisdiction over Respondent and the subject matter of this action.

(3) Respondent agrees to pay a \$26,000.00 civil penalty payable to the Oklahoma Department of Consumer Credit, on or before July 30, 2021.

(4) The payment shall be made payable by check or money order to the Oklahoma Department of Consumer Credit, shall indicate the payment is for Case Number 21-0006-DIS and shall be addressed to the attention of John T. Coyne, Chief Enforcement Attorney, Department of Consumer Credit, 629 NE 28th Street, Oklahoma City, Oklahoma 73105.

(5) A file stamped copy of this Consent Order will be returned to Respondent upon signature of the Administrator of the Department of Consumer Credit or the Deputy Administrator of the Department of Consumer Credit.

(6) If Respondent fails to comply with the terms of this Consent Order, the Administrator of the Department of Consumer Credit is authorized to file an application to enforce this Consent Order in the District Court of Oklahoma County, Oklahoma in accordance with the provisions of 59 O.S. § 2095.17(c).

APPROVED



Scott Lesh, Administrator



Scott Lesh
Administrator
State of Oklahoma
Department of Consumer Credit

Dated: 6/30/2021



Mortgage Clearing Corporation

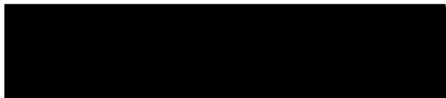
Dated: 6/25/2021

VERIFICATION OF CONSENT ORDER, CASE NUMBER 21-0006-DIS

STATE OF OKLAHOMA)

COUNTY OF Tulsa)

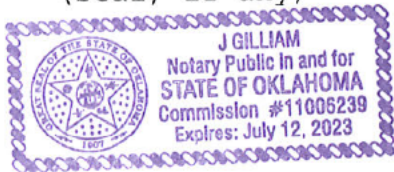
Signed and sworn to (or affirmed) before me on 6/25/2021,
2021, by a representative of Mortgage Clearing Corporation.



Mortgage Clearing Corporation



(Seal, if any)



Notary Public

My commission expires:

7.12.23