

STATE OF NEBRASKA
Department of Banking & Finance

IN THE MATTER OF:)	
)	
Equity One, Inc.,)	FINDINGS OF FACT
301 Lippincott Drive,)	CONCLUSIONS OF LAW
Marlton, New Jersey)	AND
)	CONSENT ORDER

THIS MATTER comes before the Nebraska Department of Banking and Finance (“DEPARTMENT”), by and through its Director, pursuant to its authority under the Mortgage Bankers Registration and Licensing Act, Neb. Rev. Stat. §§ 45-701 to 45-723 (Reissue 2004; Cum. Supp. 2006; Supp. 2007; LB 851, 2008) (“the Act”). Pursuant to Neb. Rev. Stat. § 45-710 (Supp. 2007), the DEPARTMENT has investigated the actions of Equity One, Inc., 301 Lippincott Drive, Marlton, New Jersey (“EQUITY ONE”) (NMLS #2517). As a result of such investigation, and being duly advised and informed in the matter, the Director and EQUITY ONE enter into the following Findings of Fact, Conclusions of Law, and Consent Order.

FINDINGS OF FACT

1. On March 3, 1997, the DEPARTMENT issued a mortgage banker license to EQUITY ONE pursuant to Neb. Rev. Stat. § 45-705 (Supp. 2007). The license was renewed on March 1st each year through March 1, 2007, pursuant to Neb. Rev. Stat. § 45-706(3) (Supp. 2007). The DEPARTMENT issued a provisional license effective March 1, 2008, to EQUITY ONE pending the resolution of this matter.
2. On February 22, 2000, EQUITY ONE submitted its 2000 Mortgage Banker License Renewal Application (“2000 Renewal Application”) to the DEPARTMENT.

Question #7 of the 2000 Renewal Application stated: "If the applicant is licensed or registered, or has ever been licensed or registered, to transact business as a mortgage banker, mortgage broker, or mortgage servicer in any other state(s), has applicant been subject to a federal or state administrative investigation or order in any such state(s) within the last year?" EQUITY ONE answered "No" to Question #7 on its 2000 Renewal Application.

3. On March 4, 2002, EQUITY ONE submitted its 2002 Mortgage Banker License Renewal Application ("2002 Renewal Application") to the DEPARTMENT. Question #8 of the 2002 Renewal Application stated: "Has applicant, or any director or principal officer or partner or member of applicant, ever been subject to a federal or state administrative investigation or order, if not previously disclosed?" EQUITY ONE answered "No" to Question #8 on its 2002 Renewal Application.

4. On February 28, 2003, EQUITY ONE submitted its 2003 Mortgage Banker License Renewal Application ("2003 Renewal Application") to the DEPARTMENT. Question #8 of the 2003 Renewal Application stated: "Has applicant, or any director or principal officer or partner or member of applicant, ever been subject to a federal or state administrative investigation or order, if not previously disclosed?" EQUITY ONE answered "No" to Question #8 on its 2003 Renewal Application.

5. On January 29, 2004, EQUITY ONE submitted its 2004 Mortgage Banker License Renewal Application ("2004 Renewal Application") to the DEPARTMENT. Question #8 of the 2004 Renewal Application stated: "Has applicant, or any director, shareholder or principal officer or partner or member of applicant, ever been subject to a federal or state administrative investigation or order, if not previously disclosed?" EQUITY ONE answered "No" to Question #8 on its 2004 Renewal Application.

6. Question #12 of the 2004 Renewal Application stated: "Has applicant, or any director, shareholder, partner, member or principal officer of the applicant ever entered into a consent agreement with a state or federal regulatory agency, if not previously disclosed?" EQUITY ONE answered "No" to Question #12 on its 2004 Renewal Application.

7. On February 1, 2005, EQUITY ONE submitted its 2005 Mortgage Banker License Renewal Application ("2005 Renewal Application") to the DEPARTMENT. Question #8 of the 2005 Renewal Application stated: "Has applicant, or any director, shareholder or principal officer or partner or member of applicant, ever been subject to a federal or state administrative investigation or order, if not previously disclosed?" EQUITY ONE answered "No" to Question #8 on its 2005 Renewal Application.

8. Question #7 of the 2005 Renewal Application stated: "Has applicant's or any director's, shareholder's, principal officer's, or member's authority to transact business as a mortgage banker, mortgage broker, or mortgage servicer in any state been revoked or suspended within the last year by a state or federal regulatory or law enforcement office?" EQUITY ONE answered "No" to Question #7 on its 2005 Renewal Application.

9. Question #12 of the 2005 Renewal Application stated: "Has applicant, or any director, shareholder, partner, member or principal officer of the applicant ever been fined by a state or federal regulatory or law enforcement entity, if not previously disclosed?" EQUITY ONE answered "No" to Question #12 on its 2005 Renewal Application.

10. Question #13 of the 2005 Renewal Application stated: "Has applicant, or any director, shareholder, partner, member or principal officer of the applicant ever entered into

a consent agreement with a state or federal regulatory agency, if not previously disclosed?"

EQUITY ONE answered "No" to Question #13 on its 2005 Renewal Application.

11. On February 9, 2006, EQUITY ONE submitted its 2006 Mortgage Banker License Renewal Application ("2006 Renewal Application") to the DEPARTMENT. Question #8 of the 2006 Renewal Application stated: "Has applicant, or any director, shareholder or principal officer or partner or member of applicant, ever been subject to a federal or state administrative investigation or order, if not previously disclosed?"

EQUITY ONE answered "No" to Question #8 on its 2006 Renewal Application.

12. Question #12 of the 2006 Renewal Application stated: "Has applicant, or any director, shareholder, partner, member or principal officer of the applicant ever been fined by a state or federal regulatory or law enforcement entity, if not previously disclosed?" EQUITY ONE answered "No" to Question #12 on its 2006 Renewal Application.

13. Question #13 of the 2006 Renewal Application stated: "Has applicant, or any director, shareholder, partner, member or principal officer of the applicant ever entered into a consent agreement with a state or federal regulatory agency, if not previously disclosed?"

EQUITY ONE answered "No" to Question #13 on its 2006 Renewal Application.

14. On January 9, 2007, EQUITY ONE submitted its 2007 Mortgage Banker License Renewal Application ("2007 Renewal Application") to the DEPARTMENT. Question #8 of the 2007 Renewal Application stated: "Has applicant, or any director, shareholder or principal officer or partner or member of applicant, ever been subject to a federal or state administrative investigation or order, if not previously disclosed?"

EQUITY ONE answered "No" to Question #8 on its 2007 Renewal Application.

15. Question #12 of the 2007 Renewal Application stated: “Has applicant, or any director, shareholder, partner, member or principal officer of the applicant ever been fined by a state or federal regulatory or law enforcement entity, if not previously disclosed?” EQUITY ONE answered “No” to Question #12 on its 2007 Renewal Application.

16. Question #13 of the 2007 Renewal Application stated: “Has applicant, or any director, shareholder, partner, member or principal officer of the applicant ever entered into a consent agreement with a state or federal regulatory agency, if not previously disclosed?” EQUITY ONE answered “No” to Question #13 on its 2007 Renewal Application.

17. On January 2, 2008, the DEPARTMENT joined the Nationwide Mortgage Licensing System (“NMLS”). The NMLS is an online system for processing mortgage banker license applications. The DEPARTMENT requires that all applications be submitted through the NMLS. Therefore, all Mortgage Banker License Renewal Applications for 2008 were processed through the NMLS.

18. The NMLS utilizes several different forms. The Form MU1—Uniform Mortgage Lender/Mortgage Broker Form (“Form MU1”) requires applicants to submit basic information about the applicant. The Form MU2—Uniform Mortgage Biographical Statement & Consent Form (“Form MU2”) requires information about directors, executive officers, owners, and other control individuals. The Form MU3—Uniform Mortgage Branch Office Form (“Form MU3”) requires certain information about branch offices of the applicant.

19. On February 28, 2008, EQUITY ONE submitted a Form MU1 via the NMLS to the DEPARTMENT. An amended Form MU1 was submitted on March 3, 2008.

20. EQUITY ONE answered “Yes” to the following questions on the Form MU1:

(C) In the past 10 years, has any State or federal regulatory agency or foreign financial regulatory authority:

...

(4) entered an order against the entity or a control affiliate in connection with a financial services-related activity?

(5) denied, suspended, or revoked the entity's or a control affiliate's registration or license or otherwise, by order, prevented it from associating with a financial services-related business or restricted its activities?

21. On March 4, 2008, EQUITY ONE submitted supplemental information to explain its "Yes" answer to the question. EQUITY ONE disclosed a number of actions taken by a number of state and federal regulators.

22. On March 4, 2008, EQUITY ONE disclosed that in June of 1999, it was fined by the State of Michigan for failure to file its Annual and Audited Financial Statements in a timely manner ("Michigan Fine").

23. Neb. Rev. Stat. § 45-707(1)(d) (Cum. Supp. 2006) provides that the Director may suspend or revoke any license issued under the Act or impose an administrative fine if the licensee has made statements, which at the time or in light of the circumstance in which they were made, were false or misleading in any material respect.

24. The Michigan Fine was an administrative action by a state regulatory agency. Therefore, EQUITY ONE's failure to include the Michigan Fine on its 2000, 2002, 2003, 2004, 2005, 2006, and 2007 Renewal Applications constituted seven (7) violations of Neb. Rev. Stat. § 45-707(1)(d) (Cum. Supp. 2006).

25. On March 4, 2008, EQUITY ONE disclosed that in April of 2001, it entered into a settlement with the Kansas Office of the State Bank Commissioner resulting from it making loans with interest rates in excess of the usury limit ("Kansas Settlement").

26. The Kansas Settlement was an administrative action by a state regulatory agency. Therefore, EQUITY ONE's failure to include the Kansas Settlement on its 2002, 2003, 2004, 2005, 2006, and 2007 Renewal Applications constituted six (6) violations of Neb. Rev. Stat. § 45-707(1)(d) (Cum. Supp. 2006).

27. On March 4, 2008, EQUITY ONE disclosed that on October 23, 2001, that the Colorado Uniform Consumer Credit Code Administrator denied its application for a Supervised Lender license for failure to provide examination documents ("Colorado Denial"). EQUITY ONE disclosed that the license was ultimately issued in February of 2003.

28. The Colorado Denial was an administrative action by a state regulatory agency which denied an application. Therefore, EQUITY ONE's failure to include the Colorado Denial on its 2002, 2003, 2004, 2005, 2006, and 2007 Renewal Applications constituted six (6) violations of Neb. Rev. Stat. § 45-707(1)(d) (Cum. Supp. 2006).

29. On March 4, 2008, EQUITY ONE disclosed that on December 13, 2001, it entered into a Consent Agreement with the Maryland Department of Labor, Licensing and Regulation, concerning alleged unlicensed activity ("Maryland Consent Agreement"). As part of the Maryland Consent Agreement, EQUITY ONE agreed to pay a fine in the amount of \$106,250.00.

30. The Maryland Consent Agreement was an administrative action taken by a state regulatory agency and it imposed a fine upon EQUITY ONE. Therefore, EQUITY ONE's failure to disclose the Maryland Consent Agreement on its 2002, 2003, 2004, 2005, 2006, and 2007 Renewal Applications constituted six (6) violations of Neb. Rev. Stat. § 45-707(1)(d) (Cum. Supp. 2006).

31. On March 4, 2008, EQUITY ONE disclosed that on April 1, 2004, the U.S. Department of Housing and Urban Development terminated the origination approval for EQUITY ONE's branch office in Marlton, New Jersey ("HUD Termination"). The HUD Termination revoked EQUITY ONE's ability to originate FHA loans at this branch location.

32. The HUD Termination was an administrative action taken by a federal regulatory agency which revoked EQUITY ONE's ability to originate FHA loans at a branch location. Therefore, EQUITY ONE's failure to disclose the HUD Termination on its 2005, 2006, and 2007 Renewal Applications constituted three (3) violations of Neb. Rev. Stat. § 45-707(1)(d) (Cum. Supp. 2006).

33. The DEPARTMENT has incurred a minimum of five hundred dollars in investigation costs in this matter.

CONCLUSIONS OF LAW

1. Neb. Rev. Stat. § 45-705 (Supp. 2007) provides, in part, that no person shall act as a mortgage banker or use the title mortgage banker in this state unless he, she, or it is licensed or registered with the DEPARTMENT.

2. Neb. Rev. Stat. § 45-706(1) (Supp. 2007) provides that the business of a mortgage banker shall be operated honestly, soundly, and efficiently in the public interest consistent with the purposes of the Act.

3. Neb. Rev. Stat. § 45-707(1)(d) (Cum. Supp. 2006) provides that if the Director, following an administrative hearing, finds that a licensee has made or caused to be made, in any document filed with the Director or in any proceeding under the Act, any statement which was, at the time and in light of the circumstances under which it was

made, false or misleading in any material respect or suppressed or withheld from the Director any information which, if submitted by the licensee, would have resulted in denial of the license application, the Director may suspend or revoke the license, or issue an administrative fine not exceeding five thousand dollars for each violation of the Act.

4. Neb. Rev. Stat. § 45-717.01(2) (Cum. Supp. 2006) provides that if the Director finds, after notice and hearing in accordance with the Administrative Procedure Act, that any person has knowingly committed any act prohibited by Section 45-707 or has otherwise violated the Act, the Director may order such person to pay an administrative fine not exceeding five thousand dollars for each separate violation plus the costs of investigation.

5. The facts listed in the above Findings of Fact constitute a sufficient basis for the Director to have determined that EQUITY ONE has violated the Act and that proceedings could be commenced to revoke or suspend EQUITY ONE's license and/or to impose an administrative fine in an amount of not more than five thousand dollars for each of the violations plus costs of investigation in accordance with Neb. Rev. Stat. § 45-717.01(2) (Cum. Supp. 2006).

6. Under the Act's statutory framework, the Director has the legal and equitable authority to fashion significant remedies.

7. It is in the best interest of EQUITY ONE, and in the best interest of the public, for EQUITY ONE and the DEPARTMENT to resolve the issues included herein.

CONSENT ORDER

The DEPARTMENT and EQUITY ONE agree as follows:

Stipulations: In connection with this Consent Order, EQUITY ONE and the DEPARTMENT stipulate to the following:

1. The DEPARTMENT has jurisdiction as to all matters herein.
2. This Consent Order shall resolve all matters between the DEPARTMENT and EQUITY ONE in connection with the Findings of Fact listed above. Should future circumstances warrant, the facts from this matter may be considered in a future administrative action by the DEPARTMENT.
3. This Consent Order shall be in lieu of all other proceedings available to the DEPARTMENT, except as specifically referenced in this Consent Order.

EQUITY ONE further represents as follows:

1. EQUITY ONE is aware of its right to a hearing on these matters at which it may be represented by counsel, present evidence, and cross-examine witnesses. The right to such a hearing, and any related appeal, is irrevocably waived.
2. EQUITY ONE is acting free from any duress or coercion of any kind or nature.
3. This Consent Order is executed to avoid further proceedings and constitutes an admission of violations of the Act solely for the purpose of this Consent Order and for no other purpose.

IT IS, THEREFORE AGREED as follows:

1. Within ten (10) days after the effective date of this Consent Order, EQUITY ONE shall pay a fine of one thousand dollars (\$1,000.00) for each of its twenty-eight violations of Neb. Rev. Stat. § 45-707(1)(d) (Cum. Supp. 2006) where EQUITY ONE provided false and misleading information in documents filed with the DEPARTMENT by not disclosing various administrative actions in connection with its Renewal Applications.

2. Within ten (10) days after the effective date of this Consent Order, EQUITY ONE shall pay the investigation costs of the DEPARTMENT in the amount of five hundred dollars (\$500.00).

3. The total amount of the fine and investigation costs, twenty eight thousand five hundred dollars (\$28,500.00), shall be payable in one check or money order to the DEPARTMENT.

4. Within five (5) business days of receipt of the fine and investigation costs, the DEPARTMENT shall replace EQUITY ONE's provisional license with a non-provisional license for the remainder of the current license period.

5. Within thirty (30) business days after the effective date of this Order, EQUITY ONE shall update its disclosure statement on file with the DEPARTMENT to include this Order.

6. In the event EQUITY ONE fails to comply with any of the provisions of this Consent Order, the DEPARTMENT may commence such action regarding EQUITY ONE as it deems necessary and appropriate in the public interest.

7. The effective date of this Consent Order shall be the date of the Director's signature.

DATED this 28th day of September, 2008.

Equity One, Inc.

By:




Brian F. Doran, Esq.
Senior Vice President & Director,
Legal & Compliance, and Assistant Secretary

301 Lippincott Drive
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DATED this 30th day of September, 2008.

**STATE OF NEBRASKA
DEPARTMENT OF BANKING AND FINANCE**

By:



John Munn, Director

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