

WHEREAS, pursuant to M.G.L. c. 255E, section 2, a mortgage lender license is not required for mortgage lenders making fewer than five (5) Massachusetts mortgage loans within any period of twelve (12) consecutive months;

WHEREAS, upon information and belief, AAG has not exceeded the above referenced loan limit in any twelve (12) month period since the expiration of its mortgage broker license and is thus not required to hold a mortgage lender or mortgage broker license in Massachusetts;

WHEREAS, on November 28, 2016, pursuant to the authority granted under Massachusetts General Laws chapter 255E, section 8, the Division commenced an examination of the books, accounts, papers, records, and files maintained by a Massachusetts licensed mortgage lender and mortgage broker (“licensed mortgage company”);

WHEREAS, the Division’s review of books and records during the examination revealed that the licensed mortgage company brokered two (2) reverse mortgage loans to AAG;

WHEREAS, all reverse mortgage loans offered in Massachusetts must be made in accordance with reverse mortgage programs that have been approved by the Commissioner of Banks (“Commissioner”) pursuant to M.G.L c. 167E, section 7;

WHEREAS, MGL c 183 sect. 67 provides that “No mortgagee shall make a reverse mortgage loan on residential property except in accordance with section 7 and 7A of chapter 167E”;

WHEREAS, AAG has never filed for approval of a reverse mortgage program in Massachusetts;

WHEREAS, AAG denies any wrongdoing and denies that it violated any provision of Massachusetts law; and

WHEREAS, AAG desires to resolve this matter through this Settlement Agreement and is entering into this Settlement Agreement with the Division on the terms stated herein.

AGREEMENT

NOW COME the parties in the above-captioned matter, the Division and AAG who agree as follows:

1. AAG shall establish, implement, and maintain policies and procedures to ensure that it does not make or offer any reverse mortgage loans on residential property in Massachusetts unless and until AAG obtains the Division's approval of the reverse mortgage program(s), as required pursuant to M.G.L. c. 183, section 67. It is understood that the Division does not guarantee the approval of any such application(s) filed by AAG; provided, however, that any such filing shall not be rejected as a result of any of the issues resolved by this Settlement Agreement, or because AAG entered into the Settlement Agreement with the Division.

2. It is understood that, notwithstanding the "de minimus" licensing exemption set forth in M.G.L. c. 255E, section 2 as described above, AAG must ensure that all loan originators employed by AAG that originate Massachusetts mortgage loans are properly licensed as mortgage loan originators pursuant to M.G.L. c. 255F.

3. AAG shall submit a payment in the amount of fourteen thousand dollars (\$14,000.00) in consideration of AAG's alleged failure to comply with Massachusetts laws and regulations pertaining to offering and making reverse mortgage loans in the Commonwealth. AAG shall remit payment in full of the amount indicated above, payable to the "Commonwealth of Massachusetts," with the executed copy of this Settlement Agreement, to the Division of Banks, Attn: Mortgage Lender Unit, 1000 Washington Street, 10th Floor, Boston, Massachusetts 02118.

4. AAG agrees that to the extent it originates loans in Massachusetts, it shall comply with the Commonwealth's laws and regulations applicable to its conducting the business of a mortgage broker and/or mortgage lender. AAG shall establish, implement, and maintain procedures and policies to ensure that all applicable personnel receive adequate instruction and training to ensure proper implementation and execution of the revised practices and procedures implemented pursuant to this Settlement Agreement.

GENERAL PROVISIONS

5. AAG hereby waives, solely for purposes for settling this matter:

- (a) The receipt of a Notice specifying the allegations which form the basis for issuance of the Settlement Agreement;
- (b) All defenses to the issuance of the Settlement Agreement;
- (c) The filing of proposed findings of fact and conclusions of law;
- (d) A written decision of the Commissioner; and
- (e) Exceptions and briefs with respect to such written decision.

6. Nothing in this Settlement Agreement shall be construed as permitting AAG to violate any law, rule, regulation, or regulatory bulletin to which AAG is subject.

7. In consideration of the foregoing Settlement Agreement, the Division agrees not to pursue formal measures against AAG relative to this matter, while this Settlement Agreement is in effect.

8. This Settlement Agreement shall become effective and public immediately upon the date of its issuance.

6. Nothing in this Settlement Agreement shall be construed as permitting AAG to violate any law, rule, regulation, or regulatory bulletin to which AAG is subject.

7. In consideration of the foregoing Settlement Agreement, the Division agrees not to pursue formal measures against AAG relative to this matter, while this Settlement Agreement is in effect.

8. This Settlement Agreement shall become effective and public immediately upon the date of its issuance.

9. The provisions of this Settlement Agreement shall not limit, estop, or otherwise prevent any other state agency or department, from taking any other action affecting AAG or its employees.

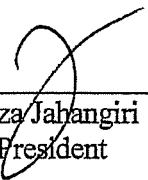
10. The provisions of this Settlement Agreement shall remain effective and enforceable except to the extent that, and until such time as, any provisions of this Settlement Agreement shall have been modified, terminated, suspended, or set aside by the Commissioner or upon an order of a court of competent jurisdiction.

11. This Settlement Agreement is the complete document representing the resolution of this matter. There are no other agreements, promises, representations, or warranties other than those set forth in this Settlement Agreement.

Agreed to this 31 day of October, 2017.

American Advisors Group
Orange, California


By its duly authorized officer:



Reza Jahangiri
President

Approved this 31 day of October, 2017.

Commonwealth of Massachusetts Division of Banks

By: 

Terence A. McGinnis
Commissioner of Banks