IN THE MATTER OF:
AURORA FINANCIAL GROUP, INC.,

Respondent.

BEFORE THE MARYLAND COMMISSIONER OF
FINANCIAL REGULATION

SETTLEMENT AGREEMENT AND CONSENT ORDER

This Settlement Agreement and Consent Order (the “Agreement”) is entered into this 31st day of December, 2020, by and between the Maryland Commissioner of Financial Regulation (the “Commissioner” or the “Agency”), and Aurora Financial Group, Inc., a New Jersey company (the “Respondent”). The Commissioner and Respondent (together, the “Parties”) consent to the entry of the Agreement as a final resolution of the matters discussed below. The terms of the Agreement are contractual and not mere recitals.

1. Pursuant to the Maryland Mortgage Lender Law (“MMLL”), Md. Code Ann., Fin. Inst. (“FI”) § 11-501 et seq., the Commissioner is responsible for licensing and regulating, inter alia, mortgage lenders who make, broker and/or service consumer loans secured by residential real property located in the State of Maryland (the “State”).

2. Respondent was licensed by the Agency as a Maryland mortgage lender from 2013 through 2015. Respondent represented to the Agency that it made its own determination, in good faith based on the advice of counsel, to surrender its mortgage lender license when it ceased its mortgage loan origination activities and transferred its servicing portfolio to a subservicer in 2015. At all times relevant thereafter, the Agency alleges that Respondent has neither been exempt from licensing under the MMLL nor duly licensed under the MMLL as a Maryland mortgage lender authorized to engage in the mortgage lending business as those terms are defined in FI § 11-501(j) and (k). Specifically, from the time the license was surrendered in 2015 to the present, the Agency alleges that Respondent, as owner of the servicing rights and responsible for any and all obligations under all respective master
servicing agreements, serviced for others a total of approximately 8,051 Maryland mortgage loans without the benefit of a license under the MMLL. It is the Agency’s position that pursuant to the MMLL, a mortgage servicer, including a master servicer, is required to be licensed under the MMLL, whether directly handling the day-to-day servicing obligations, or relying on subservicers to do the same. Therefore, the Agency alleges that Respondent, while acting as a master servicer as holder of mortgage servicing rights, engaged in unlicensed activity as a mortgage servicer in violation of the MMLL (the “Alleged Violations”).

3. Respondent does not admit to any of the Alleged Violations set forth in this Agreement, but wishes to resolve these Alleged Violations amicably without the need for further administrative proceedings or other legal proceedings and to avoid the costs associated therewith. Respondent further desires to ensure that it is in full compliance with any potentially applicable Maryland laws and regulations, and therefore agrees to resolve this matter fully, finally, and completely in accordance with this Agreement; further, Respondent agrees to abide by each and every term set forth in this Agreement. In consideration of the foregoing and the terms and conditions herein, the Respondent agrees as follows in exchange for a full and final resolution of this matter:

a. Immediately upon its execution of the Agreement, Respondent will pay an administrative fee of six thousand dollars ($6,000) to the Commissioner, to be billed and paid through the NMLS;

b. Immediately upon its execution of the Agreement, Respondent will pay a monetary penalty of twenty thousand dollars ($20,000) to the Commissioner, to be billed and paid through the NMLS; and

c. Respondent agrees to cooperate fully with all future requests for documentation, information, and records requested by the Agency to determine compliance with the terms of the Agreement.
4. The Commissioner desires to ensure that Respondent will comply with all applicable statutes, regulations, and other laws governing Maryland mortgage lending, brokering, servicing, origination, and other mortgage-related activities, and further wishes to avoid the costs to Maryland taxpayers of an administrative hearing and any potential appeals. The Commissioner agrees that, in consideration of Respondents consent to the issuance of this Agreement and the actions described in Paragraph 3, the Commissioner shall fully resolve this matter.

5. Respondent acknowledges that it has voluntarily entered into this Agreement with full knowledge of its right to a hearing pursuant to FI § 2-115(a) and pursuant to the Maryland Administrative Procedures Act – Contested Cases, Md. Code Ann., State Gov’t. (“SG”) § 10-201 et seq., and that Respondent hereby waives its right to a hearing. Respondent further acknowledges that it has had an opportunity to consult with independent legal counsel in connection with its waiver of rights and with the negotiation and execution of this Agreement, and that Respondent has either consulted with independent legal counsel or has knowingly elected not to do so.

6. Respondent represents and warrants that it otherwise will comply with all applicable statutes, regulations, and other laws governing Maryland mortgage lending, brokering, servicing, and origination, and that it will continue to act in compliance at all future times.

7. Respondent acknowledges that the Agency, in making its determinations in this matter, is relying, in part, upon Respondent’s representations and warranties herein. Respondent further acknowledges that if the Agency later finds that Respondent knowingly or willfully withheld material information pertaining to this Agreement, then this Agreement may be revoked at the discretion of the Agency and the Agency may pursue any and all remedies available under the law against Respondent. In the event the Agency exercises its discretion to revoke this Agreement pursuant to this paragraph, Respondent acknowledges
that it may not reclaim any penalties or restitution paid prior to the revocation.

8. The Parties agree that the Agreement shall be binding upon the Parties and enforceable by the Commissioner in a court of competent jurisdiction. Further, the Agreement shall be admissible in court.

9. The Parties intend that this Agreement, and the actions described in Paragraph 3, do not create any private rights or remedies against Respondent, create any liability for Respondent, or limit Respondent’s abilities against any person or entity not party to this Agreement. Further, entering into this Agreement by Respondent does not constitute an admission of wrongdoing or violation of law, statute, or regulations, but is in compromise and settlement of the Alleged Violations.

10. The Parties acknowledge that the Agreement does not in any way relate to, impact, or otherwise affect the legal rights of, or preclude the Commissioner from bringing or continuing to pursue actions against persons not Parties to the Agreement. Further, the Agreement is by and between the Commissioner and Respondent and shall not inure to the benefit of any person not a party.

11. The Parties agree that any notices hereunder shall be effectively “delivered” when sent via overnight delivery or certified mail as follows:

   a. **To the Commissioner:**

      Commissioner of Financial Regulation  
      500 North Calvert Street, Suite 402  
      Baltimore, Maryland 21202-3651  
      Attn: Arlene Williams, Director of Licensing

   b. **To Respondent:**

      Aurora Financial Group, Inc.  
      1451 Route 34, Suite 303  
      Farmingdale, NJ 07727  
      Attn: Martin Jeffrey Levine

**NOW, THEREFORE,** it is, by the Maryland Commissioner of Financial Regulation,
hereby

ORDERED that Respondent shall adhere to all terms of this Agreement, the violation of which shall constitute a violation of a Final Order of the Commissioner; it is further

ORDERED that Respondent shall conduct its business in full compliance with all statutes, regulations, and other laws governing mortgage lending, brokering, servicing, and origination in the State of Maryland; it is further

ORDERED that Respondent shall not engage in the mortgage lending business in the State without the appropriate license or licenses issued by the Commissioner; it is further

ORDERED that, in the event Respondent violates any provision of this Agreement, or, following the date this Agreement is executed, otherwise engages in the activities which formed the basis for the Alleged Violations, the Commissioner may, at the Commissioner’s discretion, take any enforcement actions available under FI § 2-115 and/or FI § 11-517, as well as take any other enforcement actions as permitted by, and in accordance with, applicable State or Federal law; and it is further

ORDERED that this matter shall be resolved in accordance with the terms of this Agreement and that the same shall be reflected among the records of the Office of the Commissioner of Financial Regulation; and it is further

ORDERED that this document shall constitute a Final Order of the Maryland Commissioner of Financial Regulation, and that the Commissioner may consider this Agreement and the facts set forth herein in connection with, and in deciding, any examination, action, or proceeding before the Commissioner; and that this Agreement may, if relevant, be admitted into evidence in any matter before the Commissioner.

It is so ORDERED.
IN WITNESS WHEREOF, this Agreement and Consent Order is executed on the
day and year first above written.

MARYLAND COMMISSIONER OF FINANCIAL REGULATION

By: _________________________

Jedd Bellman
Assistant Commissioner

AURORA FINANCIAL GROUP, INC.

By: _________________________

Martin Jeffrey Levine
President/Secretary