
*
IN THE MATTER OF: *
*
FM HOME LOANS, LLC *
d/b/a MR CAPITAL GROUP *
NMLS # 2212 *
*
(“FM HOME”) *
*

CONSENT ORDER

WHEREAS, the Banking Commissioner (“Commissioner”) is charged with the administration of Part I of Chapter 668, Sections 36a-485 to 36a-534b, inclusive, of the Connecticut General Statutes, “Mortgage Lenders, Correspondent Lenders, Brokers and Loan Originators”, and Part VII of Chapter 669, Sections 36a-715 to 36a-719l, inclusive, of the Connecticut General Statutes, “Mortgage Servicing”;

WHEREAS, FM Home is a New Jersey limited liability company with a business address of 2329 Nostrand Avenue, 3rd Floor, Brooklyn, New York;

WHEREAS, FM Home has been licensed as a mortgage lender in Connecticut since December 2, 2013, and is currently so licensed;

WHEREAS, on April 21, 2022, FM Home uploaded a fidelity bond with the Commissioner on the Nationwide Multistate Licensing System and Registry (“NMLS”), which prompted a review of FM Home’s business activities in this state;

WHEREAS, the Commissioner, through the Consumer Credit Division of the Department of Banking, conducted an investigation pursuant to Section 36a-17 of the Connecticut General Statutes in effect at such time into the activities of FM Home to determine if it had violated, was violating or was

about to violate the provisions of the Connecticut General Statutes within the jurisdiction of the Commissioner;

WHEREAS, as a result of such investigation, the Commissioner alleges that from approximately the third quarter of 2019 through the second quarter of 2022 (“Period”), FM Home acted as a mortgage servicer while neither licensed nor exempt from licensure, in violation of Section 36a-718 of the Connecticut General Statutes, by failing to meet the supplemental mortgage servicer surety bond, fidelity bond and errors and omissions coverage requirements under section 36a-719c of the Connecticut General Statutes and failing to list any of the mortgage servicing business activities on the Company (MU1) Form on NMLS while engaged in the activity of servicing loans (“Allegation”);

WHEREAS, FM Home held only mortgage servicing rights for the residential mortgage loans alleged to be serviced during the Period, all of which were directly serviced by and through a duly licensed sub-servicer;

WHEREAS, FM Home held such mortgage servicing rights for 10 or fewer residential mortgage loans during the Period;

WHEREAS, FM Home maintained a fidelity bond and errors and omissions insurance during the Period and provided the Commissioner with evidence of the fidelity bond and the errors and omissions insurance in 2021, however the required supplemental bond was not provided during the Period;

WHEREAS, FM Home represents that it continues to maintain the fidelity bond and errors and omission insurance;

WHEREAS, on May 4, 2022, FM Home uploaded its supplemental mortgage servicer surety bond onto NMLS, and on May 18, 2022, FM Home added first mortgage servicing as a business activity to its Company (MU1) Form;

WHEREAS, on June 28, 2022, FM Home uploaded the necessary evidence of errors and omissions coverage onto NMLS bringing it into compliance with the requirements for exemption from mortgage servicer licensing requirements;

WHEREAS, FM Home is currently in compliance with requirements for exemption from mortgage servicing licensure;

WHEREAS, the Commissioner believes that such Allegation would support initiation of proceedings against FM Home, which proceedings would constitute a “contested case” within the meaning of Section 4-166(4) of the Connecticut General Statutes. Section 4-177(c) of the Connecticut General Statutes and Section 36a-1-55(a) of the Regulations of Connecticut State Agencies provide that a contested case may be resolved by consent order, unless precluded by law;

WHEREAS, FM Home neither admits nor denies the Commissioner’s Allegation set forth herein;

WHEREAS, FM Home, through its execution of this Consent Order, voluntarily agrees to waive its procedural rights, including a right to a notice and an opportunity for a hearing as it pertains to the allegation set forth herein, voluntarily agrees to consent to the entry of the sanctions imposed below and voluntarily waives its right to seek judicial review or otherwise challenge or contest the validity of this Consent Order;

WHEREAS, FM Home acknowledges that it has had the opportunity to consult with and be represented by independent counsel in negotiating and reviewing this Consent Order and executes this Consent Order freely;

AND WHEREAS, FM Home acknowledges that this Consent Order is a public record and is a reportable event for purposes of NMLS, as applicable.

CONSENT TO ENTRY OF SANCTIONS

WHEREAS, FM Home, through its execution of this Consent Order, consents to the Commissioner’s entry of a Consent Order imposing the following sanctions:

1. FM Home shall cease and desist from acting as a mortgage servicer while neither licensed nor exempt from licensure, in violation of Section 36a-718(a) of the Connecticut General Statutes; and
2. No later than the date this Consent Order is executed by FM Home, it shall remit to the Department of Banking by electronic funds transfer, cashier’s check, certified check or money order, made payable to “Treasurer, State of Connecticut”, the sum of Ten Thousand Dollars (\$10,000) as a civil penalty.

CONSENT ORDER

NOW THEREFORE, the Commissioner enters the following:

1. The Sanctions set forth above be and are hereby entered;
2. Upon issuance of this Consent Order by the Commissioner, this matter will be resolved and the Commissioner will not take any future enforcement action against FM Home based upon the Allegation contained herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against FM Home based upon a violation of this Consent Order or the matters underlying its entry, if the Commissioner determines that compliance with the terms herein is not being observed or if any representation made by FM Home and reflected herein is subsequently discovered to be untrue;
3. FM Home shall not take any action or make or permit to be made any public statement, including in regulatory filings, any proceeding in any forum or otherwise, denying, directly or indirectly, any Allegation referenced in this Consent Order or create the impression that this Consent Order is without factual basis;
4. Except as specifically provided herein, FM Home shall not take any position in any proceeding brought by or on behalf of the Commissioner, or to which the Commissioner is a party, that is inconsistent with any part of this Consent Order. Nothing in this provision affects FM Home's (i) testimonial obligations; or (ii) right to take any legal or factual position that may contradict an Allegation in this Consent Order in litigation or other legal proceedings in which the Commissioner is not a party;
5. Subject to the foregoing, and so long as this Consent Order is promptly disclosed by FM Home and its control persons, as applicable, on NMLS, nothing in the issuance of this Consent Order shall adversely affect the ability of FM Home to apply for or obtain licenses or renewal licenses under Part I of Chapter 668, Sections 36a-485 *et seq.*, of the Connecticut General Statutes, provided all applicable legal requirements for such license are satisfied and the terms of this Consent Order are followed;
6. This Consent Order shall be binding upon FM Home and its successors and assigns; and
7. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut,
this 5th day of June 2023.

/s/
Jorge L. Perez
Banking Commissioner

I, David Brecher, state on behalf of FM Home Loans, LLC d/b/a MR Capital Group, that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of FM Home Loans, LLC d/b/a MR Capital Group; that FM Home Loans, LLC d/b/a MR Capital Group agrees freely and without threat or coercion of any kind to comply with the sanction entered and terms and conditions ordered herein; and that FM Home Loans, LLC d/b/a MR Capital Group voluntarily agrees to enter into this Consent Order, expressly waiving the procedural rights set forth herein as to the matters described herein.

By: /s/
Name: David Brecher
Title: President
FM Home Loans, LLC d/b/a MR Capital Group

State of: New York

County of: Kings

On this the 23rd day of May 2023, before me, Steven Bakst, the undersigned officer, personally appeared David Brecher, who acknowledged himself/herself to be the President of FM Home Loans, LLC d/b/a MR Capital Group, a limited liability company, and that he/she as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself/herself as President.

In witness whereof I hereunto set my hand.

/s/
Notary Public
Date Commission Expires: March 10, 2027