
*
IN THE MATTER OF: *
*
CENTRAL MORTGAGE *
FUNDING, LLC *
d/b/a SUPREME TEAM LENDING *
NMLS # 1699966 *
*
(“Central Mortgage Funding”) *
*

CONSENT ORDER

WHEREAS, the Banking Commissioner (“Commissioner”) is charged with 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”;

WHEREAS, Central Mortgage Funding is a Michigan limited liability company with a main office at 29777 Telegraph Rd, Suite 4500, Southfield, Michigan;

WHEREAS, since March 28, 2022, Central Mortgage Funding has been licensed to engage in the business of a mortgage correspondent lender in Connecticut;

WHEREAS, on November 17, 2023, Central Mortgage Funding requested renewal of its mortgage correspondent lender license for the January 1, 2024 through December 31, 2024 period. Such renewal request is currently pending;

WHEREAS, on April 25, 2023, the Commissioner, through the Consumer Credit Division (“Division”) of the Department of Banking, commenced an examination of Central Mortgage Funding pursuant to Section 36a-17(a) of the Connecticut General Statutes 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 examination, the Commissioner alleges that from at least March 28, 2022 through January 30, 2024, Central Mortgage Funding: (1) engaged the services of seven individuals to act as mortgage loan originators in Connecticut who were not licensed, in violation of Section 36a-486(b)(1) of the Connecticut General Statutes in effect at such time; (2) engaged in the business of a mortgage lender in Connecticut without a license, in violation of Section 36a-486(a) of the Connecticut General Statutes in effect at such time; (3) engaged in the business of a mortgage lender from an unlicensed location, in violation of Section 36a-486(a) of the Connecticut General Statutes in effect at such time; (4) failed to maintain records of mortgage loan transactions, in violation of Section 36a-493(a) of the Connecticut General Statutes and 12 CFR Section 1002.12(b) of Regulation B; (5) failed to properly disclose mortgage loan terms and document changes of circumstances, in violation of Section 36a-678(a) of the Connecticut General Statutes and paragraphs (e) and (f) of 12 CFR Section 1026.19 of Regulation Z; (6) failed to provide Connecticut applicants the notices required by 12 CFR Section 1002.9(a) of Regulation B; and (7) failed to establish, enforce and maintain policies and procedures reasonably designed to achieve compliance with Section 36a-498e(a) of the Connecticut General Statutes in effect at such time, in violation of Section 36a-498e(b)(1) of the Connecticut General Statutes in effect at such time;

WHEREAS, the Commissioner believes that such allegations would support initiation of enforcement proceedings against Central Mortgage Funding, including, without limitation, proceedings to revoke and refuse to renew Central Mortgage Funding's mortgage correspondent lender license in Connecticut pursuant to Sections 36a-494(a)(1) and 36a-51 of the Connecticut General Statutes, issue an order to cease and desist against Central Mortgage Funding pursuant to Sections 36a-494(b) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty upon Central Mortgage Funding pursuant to Sections 36a-494(b) and 36a-50(a) of the Connecticut General Statutes;

WHEREAS, initiation of such enforcement 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, Central Mortgage Funding has represented that as of January 31, 2024, it has ceased mortgage loan originations in Connecticut until it can ensure compliance with Connecticut mortgage lending licensure requirements;

WHEREAS, the Commissioner and Central Mortgage Funding acknowledge the possible consequences of formal administrative proceedings, and Central Mortgage Funding voluntarily agrees to consent to the entry of the sanctions imposed below without admitting or denying any allegations set forth herein, and solely for the purpose of obviating the need for formal administrative proceedings concerning the allegations set forth herein;

WHEREAS, the Commissioner and Central Mortgage Funding now desire to resolve the matters alleged and set forth herein;

WHEREAS, Central Mortgage Funding specifically assures the Commissioner that the violations alleged herein shall not occur in the future;

WHEREAS, Central Mortgage Funding 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;

WHEREAS, Central Mortgage Funding acknowledges that this Consent Order is a public record and is a reportable event for purposes of the Nationwide Multistate Licensing System and Registry (“NMLS”), as applicable;

AND WHEREAS, Central Mortgage Funding, 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 allegations set forth herein, and voluntarily waives its right to seek judicial review or otherwise challenge or contest the validity of this Consent Order.

CONSENT TO ENTRY OF SANCTIONS

WHEREAS, Central Mortgage Funding, through its execution of this Consent Order, consents to the Commissioner's entry of a Consent Order imposing the following sanctions:

1. Central Mortgage Funding shall cease and desist from:
 - (a) engaging the services of unlicensed individuals to act as mortgage loan originators in Connecticut, in violation of Section 36a-486(b)(1) of the 2024 Supplement to the General Statutes, including, but not limited to, engaging the services of unlicensed employees to: (A) solicit potential applicants of mortgage loan transactions via social media or otherwise, (B) take residential mortgage loan applications by receiving requests in any form for an offer, or a response to a solicitation of an offer, of residential loan terms, and the information about the Connecticut borrower or prospective borrower that is customary or necessary in a decision on whether to make such an offer, including financial information indicative of the consumer's particular circumstance such as income, down payment or credit score along with the name and contact information of the borrower or potential borrower or (C) offer or negotiate terms of residential mortgage loans, including ranges of interest rates;
 - (b) engaging in the business of a mortgage lender without a license, in violation of Section 36a-486(a) of the 2024 Supplement to the General Statutes, including, but not limited to, funding residential mortgage loan transactions in its own name with a line of credit;
 - (c) engaging in the business of a mortgage lender from an unlicensed location, in violation of Section 36a-486(a) of the 2024 Supplement to the General Statutes;
 - (d) failing to maintain records of mortgage loan transactions, in violation of Section 36a-493(a) of the Connecticut General Statutes and 12 CFR Section 1002.12(b) of Regulation B, including, but not limited to, records of applications withdrawn by the consumer;
 - (e) failing to properly disclose mortgage loan terms and document changes of circumstances, in violation of Section 36a-678(a) of the Connecticut General Statutes and paragraphs (e) and (f) of 12 CFR Section 1026.19 of Regulation Z, including, but not limited to, issuing Closing Disclosures prior to undertaking necessary due diligence to ensure disclosure of the actual terms of the mortgage loan transaction;
 - (f) failing to provide Connecticut applicants the notices required by the 12 CFR Section 1002.9(a) of Regulation B; and
 - (g) failing to establish, enforce and maintain policies and procedures reasonably designed to achieve compliance with Section 36a-498e(a)(8) of the 2024 Supplement to the General Statutes, in violation of Section 36a-498e(b)(1) of the 2024 Supplement to the General Statutes;

2. No later than the date this Consent Order is executed by Central Mortgage Funding, 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 Seventy-five Thousand Dollars (\$75,000) as a civil penalty;
3. No later than the date this Consent Order is executed by Central Mortgage Funding, 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 Four Thousand One Hundred Dollars (\$4,100) as payment for back licensing fees;
4. No later than thirty (30) days from the date this Consent Order is executed by Central Mortgage Funding, it shall:
 - (a) Revise its mortgage loan origination operations to remedy the alleged violations cited herein and ensure compliance with state and federal laws and regulations governing its mortgage operations in Connecticut, including, but not limited to, Sections 36a-486(a), 36a-486(b)(1) and 36a-498e(b)(1) of the 2024 Supplement to the General Statutes and Sections 36a-493(a) and 36a-678(a) of the Connecticut General Statutes, as amended from time to time, paragraphs (e) and (f) of 12 CFR Section 1026.19 of Regulation Z, and 12 CFR Section 1002.9 and 12 CFR Section 1002.12(b) of Regulation B; and
 - (b) Central Mortgage Funding shall implement policies and procedures acceptable to the Commissioner to effectuate subsection (a) of this paragraph and provide evidence of such policies and procedures to Carmine Costa, Director, Consumer Credit Division, Department of Banking, 260 Constitution Plaza, Hartford, Connecticut 06103-1800, or carmine.costa@ct.gov.
5. No later than sixty (60) days after the date of issuance of this Consent Order by the Commissioner, Central Mortgage Funding shall provide training to all management and any staff facilitating mortgage loan origination activity in Connecticut on state and federal law related to such activity to ensure that such persons are knowledgeable in compliance matters impacting Central Mortgage Funding's mortgage loan operations in Connecticut, including, but not limited to, Sections 36a-486(a), 36a-486(b)(1) and 36a-498e(b)(1) of 2024 Supplement to the General Statutes and Sections 36a-493(a) and 36a-678(a) of the Connecticut General Statutes, paragraphs (e) and (f) of 12 CFR Section 1026.19 of Regulation Z, and 12 CFR Section 1002.9 and 12 CFR Section 1002.12(b) of Regulation B. Central Mortgage Funding shall provide such training at least annually and shall retain evidence of such training for at least three (3) years from the date of training.
6. No later than ninety (90) days after the date of execution of this Consent Order by Central Mortgage Funding, Central Mortgage Funding shall develop, implement and maintain an effective compliance management system, including, but not limited to, adequate oversight of its compliance program by executive officers and senior management and the dedication of sufficient resources to the administration of the compliance program. Such compliance program shall include, at a minimum: (a) written policies and procedures; (b) effective internal monitoring on an ongoing basis; (c) sufficient training to ensure management and employees are familiar with statutory and regulatory requirements; and (d) periodic independent testing of its programs and operations sufficient to determine whether Central Mortgage Funding is in compliance with state and federal statutes and regulations. Central Mortgage Funding shall review such written policies and procedures at least annually to ensure they meet current

industry standards and state and federal legal requirements. Central Mortgage Funding shall retain evidence of such review for at least three (3) years from the date of review;

7. No later than one hundred twenty (120) days after the date of execution of this Consent Order by Central Mortgage Funding, Central Mortgage Funding shall implement a system of oversight concerning the policies and procedures adopted pursuant to paragraphs 4 and 6 above. Such system shall be in writing, provide a detailed audit program to test adherence to the requirements set forth in the policies and procedures, shall be sufficient in scope and depth to address the risk present in Central Mortgage Funding's mortgage operations and shall clearly delineate management's responsibility over each requirement. The audit program shall be performed by independent personnel, either internal or external auditors sufficiently experienced in the industry and shall test all functions of Central Mortgage Funding's mortgage operations. Formal written reports of such independent audits shall be issued within sixty (60) days of audit completion and shall be reviewed by Central Mortgage Funding's executive officers. Any deficiencies noted in such audit reports shall be addressed through a corrective action plan, which shall be tracked, reviewed and monitored by Central Mortgage Funding's executive officers. Audit reports and supporting documentation shall be retained for at least three (3) years from the date of audit report issuance or resolution of related correction action plan items, whichever is later.
8. For a period of at least three (3) years, commencing no later than thirty (30) days from the date this Consent Order is issued by the Commissioner, Central Mortgage Funding shall retain an individual, acceptable to the Commissioner, to act as its Chief Compliance Officer ("CCO"), in accordance with the following criteria:
 - (a) The CCO shall report directly to Central Mortgage Funding's managing member and shall be a full-time employee of Central Mortgage Funding. The CCO shall have the authority, responsibilities and duties commonly understood for the position of a CCO for a mortgage correspondent lender of the size and scope of Central Mortgage Funding and shall have the background, experience and skill necessary to satisfactorily fulfill the duties of CCO; and
 - (b) If an individual ceases to serve as CCO at any time during such three (3) year period, Central Mortgage Funding shall employ a replacement CCO satisfying the criteria set forth in this paragraph within ninety (90) days. Central Mortgage Funding's failure to hire a replacement CCO acceptable to the Commissioner after such ninety (90) day period, shall be deemed a violation of this provision of the Consent Order.

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 Central Mortgage Funding based upon the allegations set forth herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against Central Mortgage Funding 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 Central Mortgage Funding and reflected herein is subsequently discovered to be untrue;

3. Central Mortgage Funding 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; Except as specifically provided herein, Central Mortgage Funding 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 Central Mortgage Funding'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;
4. Subject to the foregoing, and so long as this Consent Order is promptly disclosed by Central Mortgage Funding and its control persons on NMLS, as applicable, nothing in the issuance of this Consent Order shall adversely affect the ability of Central Mortgage Funding to apply for or obtain a license or renewal license under Part I of Chapter 668, Sections 36a-485 et seq., of the Connecticut General Statutes, provided that all applicable legal requirements for such licenses are satisfied and the terms of this Consent Order are being followed;
5. This Consent Order shall be binding upon Central Mortgage Funding and its successors and assigns; and
6. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut
this 29th day of April 2024.

/s/

Jorge L. Perez
Banking Commissioner

I, Kevin Kajy, state on behalf of Central Mortgage Funding, LLC d/b/a Supreme Team Lending 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 Central Mortgage Funding, LLC d/b/a Supreme Team Lending; that Central Mortgage Funding, LLC d/b/a Supreme Team Lending agrees freely and without threat or coercion of any kind to comply with the sanctions entered and terms and conditions ordered herein; and that Central Mortgage Funding, LLC d/b/a Supreme Team Lending 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: Kevin Kajy
Title: Managing Partner
Central Mortgage Funding, LLC
d/b/a Supreme Team Lending

State of: Michigan

County of: Oakland

On this the 25th day of April 2024, before me, Rodney Morrow, the undersigned officer, personally appeared Kevin Kajy, who acknowledged himself/herself to be the Managing Partner of Central Mortgage Funding, LLC d/b/a Supreme Team Lending, a member managed/manager managed limited liability company, and that he/she as such Managing Partner, 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 Managing Partner.

In witness whereof I hereunto set my hand.

/s/
Notary Public
Date Commission Expires:2/5/2028