
IN THE MATTER OF:
HOMETOWN LENDERS, INC.
NMLS # 65084
("Respondent")

ORDER REVOKING MORTGAGE
LENDER LICENSE
ORDER TO CEASE AND DESIST
AND
ORDER IMPOSING CIVIL PENALTY

I. PRELIMINARY STATEMENT

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";

WHEREAS, pursuant to the authority granted by Section 36a-17 of the Connecticut General Statutes, the Commissioner, through the Consumer Credit Division ("Division") of the Department of Banking, has investigated the activities of Respondent to determine if it meets the minimum standards for licensure;

WHEREAS, on February 26, 2024, the Commissioner issued a Notice of Automatic Suspension, Notice of Intent to Revoke Mortgage Lender License, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing ("Notice") against Respondent, which Notice is incorporated herein by reference;

WHEREAS, on February 27, 2024, the Notice was caused to be mailed by certified mail, return receipt requested, to Respondent (Certified Mail No. 70191640000015847726), and sent via electronic mail to the designated primary contact in the contact employee fields on the Nationwide Multistate Licensing System and Registry ("NMLS"), at the electronic mail address provided therein;

WHEREAS, the Notice provided Respondent with the opportunity for a hearing, and stated that if a hearing was not requested by Respondent within 14 days of its receipt or if Respondent failed to appear at any such hearing, the allegations would be deemed admitted and the Commissioner would issue an order revoking Respondent's license to engage in the business of a mortgage lender in Connecticut from 350 The Bridge Street, Suites 116, 200 and 202, Huntsville, Alabama, issue an order that Respondent cease and desist from violating subdivisions (3) and (9) of Section 36a-490(c) of the Connecticut General Statutes, and may order a civil penalty in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation be imposed upon Respondent;

WHEREAS, on March 12, 2024, Respondent received the Notice;

WHEREAS, Respondent failed to request a hearing within the prescribed time period;

WHEREAS, the Commissioner alleged in the Notice, with respect to the activity described therein, that Respondent's failure to maintain the minimum tangible net worth of Two Hundred Fifty Thousand Dollars (\$250,000) required pursuant to Section 36a-488(a)(1)(A) of the Connecticut General Statutes, constitutes sufficient grounds for the Commissioner to deny an application for such license under Section 36a-489(a)(1) of the Connecticut General Statutes and constitutes sufficient grounds for the Commissioner to revoke its license to engage in the business of a mortgage lender in this state pursuant to Section 36a-494(a)(1) of the Connecticut General Statutes and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes;

WHEREAS, the Commissioner also alleged in the Notice, with respect to the activity described therein, that Respondent's failure to file with NMLS or otherwise notify the Commissioner of the decrease in its tangible net worth from the minimum amount required pursuant to Section 36a-488(a)(1)(A) of the Connecticut General Statutes not later than the requisite fifteen (15) days of its occurrence, constitutes a violation of Section 36a-490(c)(9) of the Connecticut General Statutes. Such violation constitutes sufficient grounds for the Commissioner to revoke its license to engage in the business of a mortgage lender in Connecticut pursuant to Section 36a-494(a)(1)(C) of the Connecticut

General Statutes and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes, and forms the basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-494(b) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty upon Respondent pursuant to Sections 36a-494(b) and 36a-50(a) of the Connecticut General Statutes;

WHEREAS, the Commissioner also alleged in the Notice, with respect to the activity described therein, that Respondent's failure to designate a qualified individual who meets the requirements set forth in Section 36a-488(a)(1)(B) of the Connecticut General Statutes within thirty (30) days of a vacancy in the position constitutes sufficient grounds for the Commissioner to revoke Respondent's license to engage in the business of a mortgage lender in Connecticut from its main office pursuant to Sections 36a-490(b)(3) and 36a-494(a)(1) of the Connecticut General Statutes and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes;

WHEREAS, the Commissioner also alleged in the Notice, with respect to the activity described therein, that Respondent's failure to file with NMLS or otherwise notify the Commissioner of the revocations of its licenses not later than the requisite fifteen (15) days of their occurrence constitutes violations of Section 36a-490(c)(3) of the Connecticut General Statutes. Such violations form the basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-494(b) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty upon Respondent pursuant to Sections 36a-494(b) and 36a-50(a) of the Connecticut General Statutes;

WHEREAS, Section 36a-51(b) of the Connecticut General Statutes provides, in pertinent part, that "[i]f the licensee does not request a hearing within the time specified in the notice . . . , the commissioner shall . . . revoke . . . the license. No such license shall be . . . revoked except in accordance with the provisions of chapter 54";

WHEREAS, Section 36a-52(a) of the Connecticut General Statutes provides, in pertinent part, that "[i]f the person does not request a hearing within the time specified in the notice . . . the commissioner

shall issue an order to cease and desist against the person. No such order shall be issued except in accordance with the provisions of chapter 54.”;

WHEREAS, Section 36a-50(a)(2) of the Connecticut General Statutes provides, in pertinent part, that, “[i]f such person does not request a hearing within the time specified in the notice . . . the commissioner may, as the facts require, order that a civil penalty not exceeding one hundred thousand dollars per violation be imposed upon such person”;

WHEREAS, Section 36a-50(a)(3) of the Connecticut General Statutes provides that “[e]ach action undertaken by the commissioner under this subsection shall be in accordance with the provisions of chapter 54”;

AND WHEREAS, Section 36a-1-31(a) of the Regulations of Connecticut State Agencies provides, in pertinent part, that “[w]hen a party fails to request a hearing within the time specified in the notice, the allegations against the party may be deemed admitted. Without further proceedings or notice to the party, the commissioner shall issue a final decision in accordance with section 4-180 of the Connecticut General Statutes and section 36a-1-52 of the Regulations of Connecticut State Agencies.”

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. The Commissioner finds that the matters asserted, as set forth in paragraphs 10 through 17, inclusive, of Section II of the Notice, shall constitute findings of fact within the meaning of Section 4-180(c) of the Connecticut General Statutes, and that the conclusions, as set forth in paragraphs 18 through 21, inclusive, of Section III of the Notice, shall constitute conclusions of law within the meaning of Section 4-180(c) of the Connecticut General Statutes and Section 36a-1-52 of the Regulations of Connecticut State Agencies.

2. The Commissioner finds that Respondent engaged in acts or conduct which, pursuant to Sections 36a-490(b)(3), 36a-494(a)(1) and 36a-494(a)(1)(C) of the Connecticut General Statutes and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes, constitutes sufficient grounds for the

Commissioner to revoke Respondent's license to engage in the business of a mortgage lender in Connecticut.

3. The Commissioner finds that Respondent engaged in acts or conduct which forms the basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-494(b) and 36a-52(a) of the Connecticut General Statutes.

4. The Commissioner finds that Respondent engaged in acts and conduct which forms the basis to impose a civil penalty against Respondent pursuant to Sections 36a-494(b) and 36a-50(a) of the Connecticut General Statutes.

5. The Commissioner finds that the Notice was given in compliance with subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes and Sections 36a-52(a), 36a-50(a), 4-177 and 4-182(c) of the Connecticut General Statutes.

III. ORDER

Having read the record, **I HEREBY ORDER**, pursuant to Sections 36a-490(b)(3), 36a-494(a)(1), 36a-494(a)(1)(C), 36a-52(a) and 36a-50(a) of the Connecticut General Statutes and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes, that:

1. The license of HOMETOWN LENDERS, INC. to engage in the business of a mortgage lender in Connecticut from 350 The Bridge Street, Suites 116, 200 and 202, Huntsville, Alabama, be and is hereby **REVOKED**;
2. HOMETOWN LENDERS, INC. **CEASE AND DESIST** from violating subdivisions (3) and (9) of Section 36a-490(c) of the Connecticut General Statutes;
3. A **CIVIL PENALTY** of One Hundred Thousand Dollars (\$100,000) be imposed upon HOMETOWN LENDERS, INC. to be remitted to the Department of Banking by electronic funds transfer, cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", no later than forty-five (45) days from the date this Order is mailed; and
4. This Order shall become effective when mailed.

So ordered at Hartford, Connecticut,
this 8th day of April 2024.

/s/

Jorge L. Perez
Banking Commissioner

This order was sent by certified mail,
return receipt requested, to Respondent
on April 9, 2024.

HOMETOWN LENDERS, INC.
Attention: William Taylor, Jr.
350 The Bridge Street, Suites 116, 200 and 202
Huntsville, AL 35806

Certified Mail No. 9589071052701542922383

This order was also sent by electronic mail to HOMETOWN LENDERS, INC., Attention: William Taylor, Jr., who is designated as the primary contact in the contact employee fields on the Nationwide Multistate Licensing System and Registry, at the electronic address provided therein.