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**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

STATE OF IDAHO, DEPARTMENT OF)
FINANCE, CONSUMER FINANCE)
BUREAU,)

Complainant,)

vs.)

MORTGAGE INVESTORS)
CORPORATION d/b/a AMERIGROUP)
MORTGAGE CORPORATION,)

Respondent.)

Docket No. 2013-8-02

CONSENT ORDER

The State of Idaho, Department of Finance, Consumer Finance Bureau (Department) has conducted an examination of the mortgage brokering/lending and related business activities of MORTGAGE INVESTORS CORPORATION doing business as AMERIGROUP MORTGAGE CORPORATION (the Respondent), and has concluded therefrom that the Respondent has engaged in violations of the Idaho Residential Mortgage Practices Act, Idaho Code § 26-31-101 *et seq.* (the Act) and federal Regulation Z, 12 CFR § 1026.24(c) (Reg. Z), which implements the Truth In Lending Act, 15 U.S.C. § 1601 *et seq.* The Director and the Respondent have agreed to

resolve this matter through the entry of this Consent Order, in lieu of a formal administrative proceeding or a civil enforcement lawsuit. The Director deems it appropriate and in the public interest to enter into this Consent Order, and the Respondent voluntarily consents to its entry. The Respondent neither admits nor denies the allegations contained in this Consent Order.

RESPONDENT

1. The Respondent is an Ohio corporation conducting a mortgage broker/lender business from 6090 Central Avenue, St. Petersburg, Florida. The Respondent has held Idaho Mortgage Broker/Lender License No. MBL-6985 since March 5, 2009. The Respondent's Nationwide Mortgage License System (NMLS) unique identifying number is NMLS-3510.

2. As of October 26, 2012, the Respondent employed ten (10) active loan originators (LOs), who maintain Loan Originator licenses with the Department.

3. During the exam period, the Respondent offered only one mortgage loan product, which was a 3/1 VA Hybrid Adjustable Rate Mortgage (ARM). The Respondent originated these mortgage loans for refinancing existing residential mortgage loans.

4. The Respondent offered its services through telephone solicitations, print advertisements, and direct mailings.

5. The Respondent employed individuals in positions titled as "Appointment Setter." Appointment Setters answered and engaged in phone calls to and from potential borrowers. An initial telephone solicitation followed a pre-scripted presentation.

6. The Appointment Setters asked for personal information from the borrower, such as name, co-borrower name, and property address, and further, as part of the presentation, they asked for information specific to the applicant's current residential

loan, such as the original loan amount and current interest rate. That information was used to state an approximate monthly dollar savings amount based on the applicant's information and the rate available at that time.

THE EXAMINATION

7. Between October 22, 2012, and October 26, 2012, pursuant to § 26-31-204(3) of the Act, Department Examiners conducted an examination of the Respondent's mortgage brokering/lending activities in Idaho at the Respondent's home office in St. Petersburg, Florida (Examination), which included an examination of sixty-two (62) residential mortgage loan files. The examiners compiled an examination report (Examination Report) detailing the issues discovered as a result of the Examination. The Examination included a review of internal policies and controls established by Respondent to ensure its business practices complied with the Act.

8. Acting as a potential borrower, a Department Examiner also made test-calls to the Respondent, through the Respondent's toll-free number, to test the Respondent's solicitation process.

9. Based on the examination, the examiners made the following factual allegations. The Respondent neither admits or denies these allegations.

FACTUAL ALLEGATIONS

10. During the examination period, the Respondent only offered a variable rate mortgage loan product.

11. During one of the Department examiner's test-calls to the Respondent regarding the interest rate being offered, the Appointment Setter stated that "we're

actually quoting 2.5% today.” The Respondent’s Appointment Setter failed to provide the required disclosure of the Annual Percentage Rate applicable to these offers.

12. Additional test-calls by Department examiners were made to the Respondent’s call center and no disclosures were made by any of the Respondent’s representatives regarding the variable rate interest aspect of its loan product. When asked by the examiners, the Respondent’s representatives stated that the interest rate was fixed, but they did not disclose to the examiners that the rate was fixed for only three years.

VIOLATIONS

13. From information obtained during the Examination, the Department examiners concluded that over the time period covered by the Examination, representatives of the Respondent engaged in violations of the Act and Reg. Z, including, but not limited to, the following:

a. Respondent’s representatives quoted interest rates for its products as fixed rather than the actual variable rate associated with its product, which is in violation of Idaho Code § 26-31-211(7). Idaho Code § 26-31-211(7) states that “No mortgage broker or mortgage lender licensee under this part or person required under this part to have such license shall...make any false promise likely to influence or persuade, or pursue a course of misrepresentations and false promises through mortgage loan originators or other agents, or through advertising or otherwise.”

b. Additionally, the verbal statements of representatives of the Respondent’s regarding interest rates and terms violated Reg. Z, 12 CFR § 1026.24(c), which states that “If an advertisement states a rate of finance

charge, it shall state the rate as an 'annual percentage rate,' using that term. If the annual percentage rate may be increased after consummation, the advertisement shall state that fact."

REMEDIES

14. To settle the alleged violations, the Respondent agrees to pay to the Department six thousand dollars (\$6,000).

15. The Department agrees that if the Respondent timely and fully complies with payment of the sums set forth in paragraph 14 above and the other terms set forth herein, the Department will forgo seeking penalties or other sanctions for the violations referenced above, as well as all other violations of the Act, rules promulgated under the Act, and federal law and regulations found by Department examiners during the Examination.

16. The Respondent acknowledges that it is aware of and understands all findings made by Department examiners that were set forth in the Report of the Examination. The Respondent further acknowledges that should all such violations not be rectified immediately and procedures put in place to correct the activities giving rise to such violations, and should the Department find after the entry of this Consent Order that such violations have continued to occur, the Department may seek additional sanctions against the Respondent.

17. The Respondent agrees to comply with all provisions of the Act, all rules promulgated thereunder, this Consent Order, and all federal laws and regulations applicable to its mortgage brokering/lending business at all times in the future.

18. The Respondent acknowledges and understands that this Consent Order is an administrative action that must be disclosed to the Department on future licensing and renewal forms. The disclosure requirements of other states may also require disclosure of the same. The Department agrees that the entry of this Consent Order will not be a basis to deny any future request by the Respondent for license renewal.

DATED this 20th day of March, 2014.

MORTGAGE INVESTORS CORPORATION
d/b/a AMERIGROUP MORTGAGE
CORPORATION

By: [Signature]

CEO

Title

DATED this 17th day of April, 2014.

STATE OF IDAHO
DEPARTMENT OF FINANCE

[Signature]
MICHAEL LARSEN

Consumer Finance Bureau Chief

IT IS SO ORDERED.

DATED this 7th day of April, 2014.

STATE OF IDAHO
DEPARTMENT OF FINANCE

[Signature]
GAVIN M. GEE, Director
Idaho Department of Finance



CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 8th day of April, 2014, I caused a true and correct fully-executed copy of the foregoing CONSENT ORDER to be served on the following by the designated means:

Tom Carpenter
Chief Compliance Officer
Mortgage Investors Corp.
6090 Central Ave.
St. Petersburg, FL 33707

- U.S. mail, postage prepaid
- Certified mail
- Facsimile
- Email

Lesli Esposito
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