

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF BANKING AND SECURITIES

In the matter of:)
Finance of America Mortgage LLC) ORDER NO: 21-063-C
NMLS #1071) ORDER IMPOSING CIVIL PENALTIES
AND
Respondent.) CONSENT TO ORDER

The Department of Commerce, Community, and Economic Development, Division of Banking and Securities (“Department”) has conducted an examination of the business activities of Finance of America Mortgage LLC (“Respondent”) and has determined that Respondent violated certain provisions of AS 06.60 et seq (the Alaska Secure and Fair Enforcement for Mortgage Licensing Act of 2010 – the “Alaska SAFE Act”).

Respondent agrees that the Department has jurisdiction over Respondent and this matter pursuant to the Alaska SAFE Act.

Respondent wishes to resolve and settle this matter with the Department. As evidenced by the authorized signature on this Order, Respondent consents to the entry of this Order imposing civil penalties based on the Conclusions of Law and Order. Respondent waives its right to a hearing under AS 44.62 et seq (the Alaska Administrative Procedure Act) and the Alaska SAFE Act.

I. FINDINGS OF FACT

1. Respondent is a business corporation, entity number 10031587, with its principal place of business located at 1 West Elm Street, Suite 450, Conshohocken, PA 19428. Respondent is

1 wholly owned by Finance of America Holdings LLC. On October 26, 2015, the Department
2 issued an Alaska Mortgage Broker/Lender License to the Respondent. The unique identifier
3 assigned to Respondent by the Nationwide Multistate Licensing System (“NMLS”) is 1071.

4 2. In February 2021, the Department conducted an examination (“Examination”) of
5 Respondent’s mortgage origination activities, which included a loan file review. The
6 Department found that Respondent overcharged credit report fees on two loan files.
7 Respondent did not refund the overcharged fees within the required federally mandated period
8 and did not identify either overcharge at closing or during a quality control review.

9 3. On March 25, 2021, the Department issued a Report of Examination (“ROE”),
10 informing Respondent of the violations of the overcharged fees and required Respondent to
11 conduct a self-audit of all Alaska loans originated from January 1, 2018 to December 31, 2020.
12 Respondent was directed to refund any excess fees charged or collected and to provide a
13 response to the Department with their findings. Additionally, the Department requested, and
14 the Respondent agreed to conduct an expanded self-audit and refund excess fees for loans
15 originated subsequent to the above-referenced exam period through April 26, 2021.

16 4. On April 26, 2021, the Respondent provided a written response to the ROE and
17 included an excel spreadsheet listing the loans identified with overcharged fees and refunds
18 issued to consumers. The Respondent completed the self-audit of loan files closed from
19 January 1, 2018, through April 26, 2021, and identified an additional 29 loan files with
20 overcharged fees. Two of the loan files had excess appraisal fees and 27 loans files had excess
21 credit report fees. The fees identified by the Respondent that had to be refunded ranged from
22 \$10.00 to \$850.00 totaling \$2,894.00. Additionally, Respondent provided information
23 regarding root cause analysis and corresponding remediation efforts to the Department,
24 including all identified fee issues were tied to a single branch location and that multiple layers

1 of review and system updates were implemented to prevent and self-identify any overcharged
2 fees since the date of the self-audit.

3 5. The Department notified the Respondent that the nature of the findings involved
4 consumer harm and identified a systemic compliance issue related to overcharged credit report
5 and appraisal fees.

6 **II. CONCLUSIONS OF LAW**

7 1. Respondent violated AS 06.60.340(17), 3 AAC 14.420(a)(2)(C), and 3 AAC
8 14.420(a)(4)(D) by failing to deliver overcharged third-party fees to consumers.

9 2. Respondent violated 12 CFR 1024.14 and AS 06.60.330(7)(8) by failing to refund the
10 portion collected over the charge for a credit report and an appraisal report in connection
11 with a transaction involving a federally related mortgage loan. The overcharge is considered
12 an unearned fee.

13 3. Respondent is subject to a civil penalty under AS 06.60.420 for violating 12 CFR
14 1024.14, AS 06.60.330(7)(8), AS 06.60.340(17), 3 AAC 14.420(a)(2)(C), and 3 AAC
15 14.420(a)(4)(D).

16 4. Under AS 06.60.420(a), a person who violates a provision of this chapter, a
17 regulation adopted or an order issued under this chapter, is liable for a civil penalty not to
18 exceed \$10,000 for each violation.

19 **III. ORDER**

20 Pursuant to the Alaska SAFE Act and on the basis of the Findings of Fact,
21 Conclusions of Law, and Respondents' consent to the entry of this Order, the Department
22 ORDERS Respondent to:

23 1. Pay a civil penalty in the amount of \$15,500. This amount was calculated at \$500 for
24 each instance that an overcharged fee was not refunded to the consumer by the Respondent.

1 There were thirty-one overcharged fees that the Respondent failed to identify and refund
2 during a mortgage loan transaction.

3 2. Comply with all provisions of the Alaska SAFE Act and associated regulations.

4 This Order shall be publicly disclosed and is reportable to the NMLS.

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8 **IT IS SO ORDERED.**

9 Julie Sande, Commissioner
10 Department of Commerce, Community
and Economic Development

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12 10/19/22
Date

/s/ Robert H. Schmidt
Robert H. Schmidt, Director
Division of Banking and Securities

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1 **Consent to Entry of Order**

2 **Finance of America Mortgage LLC**

3 I, Graham Fleming, state that I am the President of
4 Finance of America Mortgage LLC (“Respondent”); that I am authorized to act on its behalf;
5 that I have read the foregoing Order; and that I am aware of the right to a hearing and appeal
6 in this matter, and have waived the same.

7 Respondent admits to the jurisdiction of the Department of Commerce, Community
8 and Economic Development, Division of Banking and Securities (“Department”) and further
9 consents to entry of this Order by the Department as settlement of the issues contained in this
10 Order. Respondent admits violation of the Alaska SAFE Act.

11 Respondent understands that the Department reserves the right to take further actions
12 to enforce this Order or to take appropriate action upon discovery of other violations of the
13 Alaska SAFE Act, and that Respondent will fully comply with the terms and conditions of
14 this Order, the Alaska SAFE Act and associated regulations.

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