

Suffolk, SS.

COMMISSIONER OF BANKS
MORTGAGE LENDER AND
MORTGAGE BROKER
LICENSING
Docket No. 2020-010

In the Matter of
POLI MORTGAGE GROUP, INC.

Walpole, Massachusetts

Mortgage Lender and Broker License No. MC1979

CONSENT ORDER

WHEREAS, POLI MORTGAGE GROUP, INC., (Poli Mortgage or the Corporation), a licensed mortgage lender and mortgage broker under Massachusetts General Laws chapter 255E, section 2, has been advised of its right to Notice and Hearing pursuant to General Laws chapter 255E, section 7(a), and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER (Consent Agreement) with representatives of the Division of Banks (Division) dated October 8, 2020, whereby, solely for the purpose of settling this matter, and without admitting any allegations or implications of fact or the existence of any violation of state or federal laws and regulations governing the conduct and operation of a mortgage lender and mortgage broker, Poli Mortgage agrees to the issuance of this Consent Order (Consent Order) by the Commissioner of Banks (Commissioner);

WHEREAS, an examination of Poli Mortgage was conducted pursuant to General Laws chapter 255E, section 8 as of January 24, 2020 to evaluate Poli Mortgage's performance under the Massachusetts Community Reinvestment Act for Mortgage Lenders (CRA);

WHEREAS, the Report of Examination (the Report) issued pursuant to the Division's examination of Poli Mortgage alleged deficiencies and violations of certain applicable state and federal statutes, rules, and regulations governing the conduct of those engaged in the business of a mortgage lender in Massachusetts; and

WHEREAS, the parties now seek to resolve by mutual agreement the matters identified in the Report.

ORDER

NOW COME the parties in the above-captioned matter, the Division and Poli Mortgage, who stipulate and agree as follows:

1. Poli Mortgage shall establish, implement, and maintain procedures to ensure compliance with the data collection, recording, and loan reporting requirements set forth in the Home Mortgage Disclosure Act, 12 U.S.C. section 2801 *et seq.*, as implemented by 12 CFR Part 1003 (Regulation C). Such procedures shall require that the Corporation implement internal controls to ensure that, for all HMDA reportable loan applications, Poli Mortgage accurately compiles and records all required data in the Corporation's HMDA Loan Application Register (LAR).

(a) Poli Mortgage shall establish, implement, and maintain internal controls to ensure that all applicable personnel possess a comprehensive understanding of the HMDA reporting requirements under Regulation C. Such training shall ensure the proper implementation and execution of the revised practices and procedures adopted by Poli Mortgage pursuant to this Section of the Consent Order.

(b) Poli Mortgage shall submit a payment in the amount of twenty-five thousand dollars (\$25,000.00) in satisfaction of an administrative penalty collected in consideration of the Corporation's failure to record accurate and reliable HMDA data. Poli Mortgage shall remit payment in full of the amount indicated above, payable to the "Commonwealth of Massachusetts," with the executed copy of the Consent Agreement, to the Office of the Commissioner of Banks.

2. Poli Mortgage shall establish an effective community development program to ensure that the Corporation offers qualified community development services as described in 209 CMR 54.00. Poli Mortgage shall also ensure that it properly tracks and documents all community development services to low- and moderate-income (LMI) areas, organizations, and individuals within Massachusetts.

3. Poli Mortgage shall establish, implement, and maintain policies and procedures to ensure that the Corporation serves the mortgage credit needs of the Commonwealth in accordance with Massachusetts mortgage lender CRA requirements; with particular attention to the Corporation's distribution of loans secured by property in LMI Census tracts and to borrowers of different income levels.

4. Poli Mortgage shall ensure that third-party compliance audits of the Corporation's HMDA, CRA, and fair lending policies and programs include transactional testing, and that the scopes of such audits are designed to identify weaknesses and improve Poli Mortgage's compliance with applicable laws and regulations. Prior to the initiation of the next scheduled audits, Poli Mortgage shall submit documentation of the scope of the audit(s) for the Division's review.

5. Poli Mortgage shall address all matters requiring attention set forth in the Report within the time-frames contained therein. Poli Mortgage shall also implement all corrective actions described in the Report that are not specifically addressed by this Consent Order.

- (a) Poli Mortgage shall establish, implement, and maintain procedures and policies to ensure that all applicable personnel receive adequate instruction and ongoing, periodic training to ensure proper implementation and execution of the revised practices and procedures implemented pursuant to this Consent Order.

6. On the thirtieth (30th) day after the end of each calendar quarter following the date of this Memorandum, Poli Mortgage shall furnish written progress reports to the Division via secure email to DOBProgressReport@mass.gov. Such progress reports shall detail the form, content, and manner of any actions taken to address each section of this Consent Order, and describe, in detail, any other consumer compliance initiatives instituted during the calendar quarter to improve the compliance position of Poli Mortgage, and the results thereof. Each progress report submitted to the Division pursuant to this Section of the Consent Order shall be reviewed and signed by a duly authorized officer of the Corporation.

7. Poli Mortgage agrees that, in the event that the Corporation fails to submit the payments set forth in this Consent Order in the amounts specified herein and in accordance with the applicable deadlines, the Division shall be authorized to submit a claim for such amounts against the mortgage lender and/or mortgage broker Massachusetts surety bond maintained by Poli Mortgage pursuant to the Division's regulations 209 CMR 42.03(2)(a) and 209 CMR 42.05(2)(a).

8. Nothing in this Consent Order shall be construed as permitting Poli Mortgage to violate any law, rule, regulation, or regulatory bulletin to which the Corporation is subject.

9. In consideration of the foregoing Consent Order, the Division agrees not to pursue formal measures, relative to this matter, to suspend or revoke Poli Mortgage's mortgage lender or mortgage broker license under Massachusetts General Laws chapter 255E, section 6, while this Consent Order is in effect, but subject to the provisions of Section 10 of this Consent Order.

10. Failure to comply with the terms of this Consent Order shall constitute grounds for license suspension and/or revocation, or other formal regulatory action pursuant to applicable provisions of the General Laws of the Commonwealth of Massachusetts.

11. This Consent Order shall become effective immediately upon the date of its issuance.

12. The provisions of this Consent Order shall remain effective and enforceable except to the extent that, and until such time as the Commissioner or a court of competent jurisdiction modifies, terminates, suspends, or sets aside any provision of this Consent Order.

13. This Consent Order and the Consent Agreement are the complete documents representing the resolution of this matter. There are no other agreements between the Division and Poli Mortgage.

BY ORDER AND DIRECTION OF THE COMMISSIONER OF BANKS:

Dated at Boston, Massachusetts, this 8th day of October, 2020.

By: /s/ Mary L. Gallagher
Commissioner of Banks