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Deputy Commissioner  
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Senior Counsel  
4 Department of Business Oversight  
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7 Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
9 OF THE STATE OF CALIFORNIA

10  
11 In the Matter of: ) CRMLA LICENSE No.: 413-0238  
 )  
12 THE COMMISSIONER OF BUSINESS )  
13 OVERSIGHT, ) SETTLEMENT AGREEMENT  
 )  
14 Complainant, )  
 )  
15 vs. )  
 )  
16 SUNTRUST MORTGAGE, INC., )  
17 )  
18 Respondent. )  
19 )  
20 )  
 )

21  
22 This Agreement is entered into between Respondent SunTrust Mortgage, Inc. (“SunTrust”) and Complainant the Commissioner of Business Oversight (“Commissioner”), and is made with  
23 respect to the following facts:  
24

25 **RECITALS**

26 A. SunTrust is a corporation in good standing, duly formed and existing pursuant to the  
27 laws of the State of Virginia, and authorized to conduct business in the State of California.  
28

1 B. SunTrust holds a residential mortgage lender and loan servicer license issued by the  
2 Commissioner pursuant to the California Residential Mortgage Lending Act ("CRMLA") (Financial  
3 Code §50000 et seq.). SunTrust has its principal place of business located at 901 Semmes Avenue,  
4 Richmond, Virginia 23224. SunTrust currently has 15 branch office locations under its CRMLA  
5 license located in California and elsewhere. SunTrust employs mortgage loan originators in its  
6 CRMLA business.

7 C. The Department of Business Oversight ("Department"), through the Commissioner,  
8 has jurisdiction over the licensing and regulation of persons and entities engaged in the business of  
9 lending and/or servicing pursuant to the CRMLA.

10 D. On January 26, 2016, SunTrust was personally served by the Commissioner with a  
11 Notice of Intention to Issue Orders Suspending Residential Mortgage Lender/Servicer Licenses and  
12 to Levy Penalties, Accusation, and accompanying documents dated January 21, 2016. SunTrust has  
13 filed a Notice of Defense with the Commissioner regarding the Accusation.

14 E. On January 26, 2016, SunTrust was also personally served by the Commissioner with  
15 an Order to Discontinue Violations Pursuant to Financial Code Section 50321 and Statement of  
16 Facts In Support of Order to Discontinue Violations Pursuant to Financial Code Section 50321 and  
17 Notice of Intent to Make Order Final dated January 21, 2016 ("Order"). SunTrust has filed a request  
18 for a hearing with the Commissioner regarding the Order.

19 F. The Commissioner hereby acknowledges that SunTrust has submitted information  
20 demonstrating that it has adopted policies and procedures addressing the issues described in the  
21 Accusation and Order.

22 G. It is the intention and desire of the parties to resolve this matter without the necessity  
23 of a hearing and/or other litigation.

24 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set  
25 forth herein, the parties agree as follows:

26 **TERMS AND CONDITIONS**

27 1. This Agreement is entered into for the purpose of judicial economy and expediency,  
28 and to avoid the expense of a hearing, and possible further court proceedings.

1           2.       SunTrust acknowledges its right to an administrative hearing under the CRMLA in  
2 connection with the Accusation and/or Order and hereby waives that right to a hearing, and to any  
3 reconsideration, appeal, or other rights which may be afforded pursuant to the CRMLA, the  
4 California Administrative Procedure Act, the California Code of Civil Procedure, or any other  
5 provision of law in connection with these matters.

6           3.       SunTrust hereby agrees that the Order described in paragraph E above is hereby  
7 deemed a final order.

8           4.       SunTrust further agrees to pay to the Commissioner the sum of \$50,000.00 in  
9 penalties upon execution of this Settlement Agreement.

10          5.       In consideration of the information provided to the Commissioner by SunTrust as  
11 described in paragraph F above and SunTrust’s agreement to the finality of the Order and payment  
12 of penalties as provided for in paragraphs 3 and 4 above, the Commissioner hereby agrees not to  
13 suspend the residential mortgage lender and loan servicer licenses of SunTrust. Accordingly, this  
14 Settlement Agreement, which resolves the Accusation and Order, does not affect the licensing status  
15 of SunTrust set forth in paragraph B above and the licenses of SunTrust are in good standing.

16          6.       The Commissioner hereby agrees to amend the Accusation and the Statement of Facts  
17 In Support of Order to Discontinue Violations Pursuant to Financial Code Section 50321 issued on  
18 January 21, 2016 as set forth in the Amended Accusation and Amended Statement of Facts In  
19 Support of Order to Discontinue Violations attached and incorporated as Exhibits A and B.

20          7.       This Settlement Agreement may be revoked and the Commissioner may pursue any  
21 and all remedies available under law against SunTrust, if the Commissioner later finds out that  
22 SunTrust knowingly or willfully withheld information used and relied upon in this Settlement  
23 Agreement.

24          8.       This Settlement Agreement is binding on all heirs, assigns and/or successors in  
25 interest.

26          9.       This Settlement Agreement does not create any private rights or remedies against  
27 SunTrust, create any liability for SunTrust or limit defenses of SunTrust for any person or entity not  
28 a party to this Settlement Agreement.

1           10.     The parties hereby acknowledge and agree that this Settlement Agreement is intended  
2 to constitute a full, final and complete resolution of the Accusation and Order and that no further  
3 proceedings or actions will be brought by the Commissioner in connection with these matters either  
4 under the CRMLA, or any other provision of law, to include through May 31, 2016 any failure to  
5 maintain evidence of (i) advising borrower(s), in person or telephonically, of their right to request a  
6 subsequent meeting or that it had provided the borrower(s) with a HUD toll-free telephone number  
7 at least 30 days prior to filing a notice of default, or (ii) due diligence, if applicable, via attempted  
8 telephonic contact with borrowers, excepting therefrom any proceeding or action if such proceeding  
9 or action is based upon facts not presently known to the Commissioner and which were actively  
10 concealed from the Commissioner by SunTrust.

11           11.     The parties acknowledge and agree that nothing contained in this Settlement  
12 Agreement shall operate to limit the Commissioner's ability to assist any other agency, (city, county,  
13 state or federal) with any prosecution, administrative, civil or criminal, brought by any such agency  
14 against SunTrust or any other person based upon any of the activities alleged in these matters or  
15 otherwise.

16           12.     Each of the parties represents, warrants, and agrees that it has received independent  
17 advice from its attorney(s) and/or representatives with respect to the advisability of executing this  
18 Settlement Agreement.

19           13.     Each of the parties represents, warrants, and agrees that in executing this Settlement  
20 Agreement it has relied solely on the statements set forth herein and the advice of its own counsel  
21 and/or representative. Each of the parties further represents, warrants, and agrees that in executing  
22 this Settlement Agreement it has placed no reliance on any statement, representation, or promise of  
23 any other party, or any other person or entity not expressly set forth herein, or upon the failure of any  
24 party or any other person or entity to make any statement, representation or disclosure of anything  
25 whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in  
26 any way fraudulently induced to execute this Settlement Agreement; and (2) to preclude the  
27 introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this  
28 Settlement Agreement.

1           14.     This Settlement Agreement is the final written expression and the complete and  
2 exclusive statement of all the agreements, conditions, promises, representations, and covenants  
3 between the parties with respect to the subject matter hereof, and supersedes all prior or  
4 contemporaneous agreements, negotiations, representations, understandings, and discussions  
5 between and among the parties, their respective representatives, and any other person or entity, with  
6 respect to the subject matter covered hereby.

7           15.     In that the parties have had the opportunity to draft, review and edit the language of  
8 this Settlement Agreement, no presumption for or against any party arising out of drafting all or any  
9 part of this Settlement Agreement will be applied in any action relating to, connected, to, or  
10 involving this Settlement Agreement. Accordingly, the parties waive the benefit of California Civil  
11 Code section 1654 and any successor or amended statute, providing that in cases of uncertainty,  
12 language of a contract should be interpreted most strongly against the party who caused the  
13 uncertainty to exist.

14           16.     The waiver of any provision of this Settlement Agreement shall not operate to waive  
15 any other provision set forth herein, and any waiver, amendment and/or change to the terms of this  
16 Settlement Agreement must be in writing signed by the parties.

17           17.     This Settlement Agreement shall not become effective until signed and delivered by  
18 all parties.

19           18.     This Settlement Agreement may be executed in one or more counterparts, each of  
20 which shall be an original but all of which, together, shall be deemed to constitute a single  
21 document. This Settlement Agreement may be executed by facsimile signature, and any such  
22 facsimile signature by any party hereto shall be deemed to be an original signature and shall be  
23 binding on such party to the same extent as if such facsimile signature were an original signature.

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19. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Settlement Agreement.

Dated: 11/30/16

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_

MARY ANN SMITH  
Deputy Commissioner

Dated: 11/21/16

SUNTRUST MORTGAGE, INC.

By \_\_\_\_\_

DORINDA SMITH, President

APPROVED AS TO FORM:

SunTrust Mortgage, Inc.

By \_\_\_\_\_

STEPHANIE KARFIAS, ESQ.  
Senior Vice-President and Deputy General  
Counsel - Mortgage,  
SunTrust Bank.

Commissioner of Business Oversight

By \_\_\_\_\_

JUDY L. HARTLEY, ESQ.  
Senior Counsel