

# THE COMPLIANCE CONNECTION

REGULATORY NEWS FOR VIRGINIA MORTGAGE COMPANIES  
STATE CORPORATION COMMISSION - BUREAU OF FINANCIAL INSTITUTIONS

2022 VOLUME I



The Compliance Connection is part of the Bureau's efforts to improve communication with the companies we regulate. It is distributed to Virginia mortgage and industrial loan association licensees, and other interested parties. It is the licensee's responsibility to read this newsletter and to be familiar with the positions and interpretations stated herein.

Suggestions and comments concerning the newsletter or its contents should be addressed to the Bureau at P.O. Box 640, Richmond, VA 23218-0640 or via email at [bfquestions@sc.virginia.gov](mailto:bfquestions@sc.virginia.gov).

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## License Renewal 2021

The annual NMLS Renewal Period began on Monday, November 1, 2021. All Virginia mortgage lender licenses, mortgage broker licenses, approved branch office locations, and mortgage loan originator (MLO) licenses granted before November 1, 2021 expired on December 31, 2021, unless they were renewed prior to the expiration date. Mortgage lenders, mortgage brokers, and MLOs who failed to renew their licenses or branch office locations prior to December 31, 2021 can request that their licenses or branch office locations be reinstated and renewed by satisfying the applicable renewal requirements prior to March 1, 2022. MLOs are also required to pay a \$30 reinstatement fee. The NMLS Resource Center includes license-specific renewal requirements and detailed filing instructions.

Please note that mortgage lenders, mortgage brokers, and MLOs are prohibited from engaging in business in Virginia after December 31, 2021, unless the required renewal is obtained. Similarly, mortgage lenders and mortgage brokers are prohibited from engaging in business in Virginia from branch offices that were not renewed by the deadline, unless the required renewal is obtained. Conducting business in Virginia with an expired license or from a location that was not renewed is a violation of Virginia law and grounds for regulatory action pursuant to Chapters 16 & 17 of Title 6.2 of the Code of Virginia.

## To Adjust or Not Adjust Surety Bond Coverage... That is the Question?!

Does your 2021 loan volume require an adjustment to your surety bond coverage? Virginia Regulation 10 VAC 5-160-15 provides details relating to mortgage company surety bonds including the minimum amount of such bonds and information on when bond coverage must be adjusted. At the beginning of each calendar year, mortgage company licensees should determine the dollar amount of Virginia loans brokered or made during the previous calendar year and based on the information in the table below, determine if an adjustment is necessary.

Dollar amount of loans brokered/ made	Bond Amount
\$0 - \$5,000,000	\$25,000
\$5,000,001 -- \$20,000,000	\$50,000
\$20,000,001 -- \$50,000,000	\$75,000
\$50,000,001 -- \$100,000,000	\$100,000
over \$100,000,000	\$150,000

We are not currently using the NMLS surety bond functionality. Thus, if a new surety bond is obtained for a different amount, the original of the new bond must be sent to

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## Surety Bond Coverage (continued from page 1)

our office. Otherwise, a rider for the updated amount must be sent. Failure to maintain the required surety bond coverage pursuant to § 6.2-1604 of the Code of Virginia and 10 VAC 5-160-15 will result in a recommendation to the Commission to revoke a mortgage company's license pursuant to § 6.2-1619 of the Code of Virginia.

If you have questions about the surety bond requirements, please contact the Bureau at 804-371-9701 or via email at [BFIQuestions@scv.virginia.gov](mailto:BFIQuestions@scv.virginia.gov). Mail surety bonds and riders to: Bureau of Financial Institutions, P.O. Box 640, Richmond, VA 23218-0640.

## License Update

The following is a list of companies and individuals that have had an application denied, consented to the entry of a settlement order, or been the subject of regulatory action (e.g., been barred, had their license revoked, or paid a fine or civil penalty, etc.) since May 11, 2020. This list should be helpful to keep track of companies and individuals with which you do business. This list is accurate as of December 1, 2021. Call the Bureau if you have a question concerning a recent denial, settlement order or regulatory action taken by the Commission. To view specific Commission orders, go to the following link: [scv.virginia.gov/pages/Case-Information](http://scv.virginia.gov/pages/Case-Information), and click on "Docket Search" then click on "SEARCH FOR CASE INFORMATION," and enter the case number.

Case Number Action	License No. Defendant Name	Date of Order	Reason
BFI-2021-00002 Settlement Order	N/A James C. McMahan, II	5/13/2021	Paid \$2,500 for allegedly failing to obtain Commission approval prior to acquiring 25% or more of the ownership of Ark-La-Tex Financial Services, LLC d/b/a Benchmark Mortgage in violation of § 6.2-1608 of the Code of Virginia.
BFI-2021-00014 Cease and Desist Order	N/A Porter Group, LLC d/ b/a PORTER, and Rock Consulting	7/2/2021	Order requiring Porter Group, LLC d/b/a PORTER, and Rock Consulting to (1) cease and desist from engaging in business as a mortgage broker without the required license and (2) comply with Chapter 16 of Title 6.2 of the Code of Virginia.
BFI-2020-00034 Settlement Order	N/A Barnard Family Trust	10/8/2021	Paid \$5,000 for allegedly failing to obtain Commission approval prior to acquiring 25% or more of the ownership of LoanPal, LLC* d/b/a Loanpal, Paramount Equity, and Paramount Equity Mortgage in violation of § 6.2-1608 of the Code of Virginia. *Loanpal, LLC changed its legal name to GoodLeap, LLC on 6/2/2021.
BFI-2021-00022 Settlement Order	N/A Thomas Lee Payne	10/26/2021	Paid \$2,500 for allegedly failing to obtain Commission approval prior to acquiring 25% or more of the ownership of Luminate Home Loans, Inc. f/k/a American Mortgage & Equity Consultants Inc., in violation of § 6.2-1608 of the Code of Virginia.
BFI-2021-00021 Settlement Order	N/A Taryn S. Reuter	10/26/2021	Paid \$2,500 for allegedly failing to obtain Commission approval prior to acquiring 25% or more of the ownership of Luminate Home Loans, Inc. f/k/a American Mortgage & Equity Consultants Inc., in violation of § 6.2-1608 of the Code of Virginia.
BFI-2021-00030 Revocation Order	MC-6778 International Develop- ment Fund, Inc.	11/4/2021	Licensee failed to file the financial condition component of its mortgage call report as required by the NMLS, in violation of 10 VAC 5-160-90 B of the Commission's Rules Governing Mortgage Lenders and Brokers.
BFI-2021-00100 Settlement Order	N/A Chad Jampedro	11/16/2021	Paid \$2,500 for allegedly failing to obtain Commission approval prior to acquiring 25% or more of the ownership of GSF Mortgage Corporation d/b/a Go Mortgage, in violation of § 6.2-1608 of the Code of Virginia.



### **IMPORTANT COMMISSION TELEPHONE NUMBERS**

Licensing (applications, name changes, relocations)	(804) 371-9690
Non-Depository Supervision (mortgage examinations)	(804) 371-9701
Non-Depository Consumer Complaints	(804) 371-9701
Depository Supervision (banks/credit union exams)	(804) 371-9704
Corporate Information – Clerk’s Office	(804) 371-9733
FAX Number - Bureau of Financial Institutions	(804) 371-9416



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