

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER  
CASE NO. C-14-0073  
ORDER NO. C-14-0073-14-OR01**

**IN THE MATTER OF:  
CITIMORTGAGE, INC.  
NMLS&R NO. 413108**

**RESPONDENT**

14 AUG 14 AM 10:30  
ARKANSAS SECURITIES DEPT.

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**ORDER APPROVING AGREEMENT**

This Order Approving Agreement is entered pursuant to the Arkansas Fair Mortgage Lending Act ("FMLA"), codified at Ark. Code Ann. §§ 23-39-501 through 23-39-518, the Rules of the Arkansas Fair Mortgage Lending Act ("Rules") and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-101 through 25-15-219, in accordance with an agreement by and between the Staff of the Arkansas Securities Department ("Staff") and the Respondent, CitiMortgage, Inc. ("CitiMortgage"), in full and final settlement of all claims that could be brought against CitiMortgage by the Staff on the basis of the facts set forth herein.

CitiMortgage admits the jurisdiction of the Arkansas FMLA and the Arkansas Securities Commissioner ("Commissioner"), waives its right to a formal hearing and appeal, and admits the findings of fact made herein, agrees to the entry of this order, and agrees to abide by its terms.

**FINDINGS OF FACT**

From the pleadings, documentary evidence, and all other matters properly before the Commissioner, the Commissioner does make the following findings of fact:

1. CitiMortgage is a corporation organized and operating under the laws of the State of New York. CitiMortgage, NMLS&R number 413108, has not been licensed by the commissioner as a mortgage servicer in Arkansas. However, CitiMortgage currently has an Arkansas mortgage servicer license application pending with the Staff.

2. Between August 16, 2013 and August 1, 2014, CitiMortgage engaged in mortgage loan servicing activity concerning 20,081 mortgage loans for Arkansas residents without being licensed under the Arkansas FMLA.

3. Until August 16, 2013, CitiMortgage was exempt from licensure as a mortgage servicer under the Arkansas FMLA.

4. CitiMortgage fully cooperated with the Staff, during the Staff's investigation of this matter.

#### **LEGAL AUTHORITY AND CONCLUSIONS OF LAW**

5. Ark. Code Ann. § 23-39-503(b) states that it is unlawful for any person other than an exempt person to act, directly or indirectly, as a mortgage servicer with any person located in Arkansas without first obtaining a license from the commissioner under this subchapter. The unlicensed mortgage servicer activity of CitiMortgage as detailed in paragraphs one and two constitutes 20,081 violations of Ark. Code Ann. § 23-39-503(b) by CitiMortgage.

6. Ark. Code Ann. §§ 23-39-514(b)(1) and (2) states that the Commissioner by order may impose a civil penalty that shall not exceed \$10,000.00 for each violation by a mortgage servicer upon a licensee or any partner, officer, director, member, manager, or other person occupying a similar status or performing a similar function on behalf of a licensee for any violation of the FMLA. The acts and violations of the FMLA by CitiMortgage, as detailed in paragraphs one through four, warrant the entry of appropriate civil penalty against CitiMortgage.

7. Ark. Code Ann. §§ 23-39-514(l) states that this section does not prohibit or restrict the informal disposition of a proceeding or allegations that might give rise to a proceeding by settlement or consent in lieu of a formal or informal hearing. The facts as detailed in paragraphs one through four warrant the entry of this Order Approving Agreement.

**ORDER**

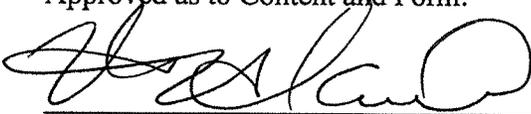
By agreement with the Staff and the duly authorized representative of CitiMortgage, it is hereby ordered that CitiMortgage shall be responsible for the payment of a civil penalty in the amount of \$20,000.00 to the Arkansas Securities Department within ten days of the entry of this order.



A. Heath Abshure  
Arkansas Securities Commissioner

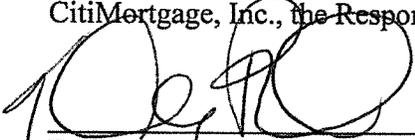
8/14/2014  
Date

Approved as to Content and Form:



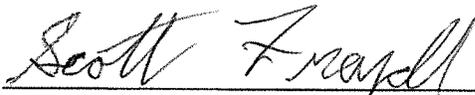
Victoria Kiehl, Chief Legal Officer for  
CitiMortgage, Inc., the Respondent

8/13/14  
Date



Emily S.H. Belshe, Attorney for the Respondent  
CitiMortgage, Inc.

8/13/14  
Date



Scott Freydl, Staff Attorney  
Arkansas Securities Department

8/14/14  
Date