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State of New York Banking Department

Enforcement Actions

General
Mortgage Banking

Suspension order issued against Alliance Mortgage Banking Corp.

State of New York Banking Department

In the Matter of

ALLIANCE MORTGAGE BANKING CORP.

A Licensed Mortgage Banker pursuant
to Article XII-D of the New York
Banking Law

- Respondent -

SUSPENSION ORDER

Whereas, ALLIANCE MORTGAGE BANKING CORP., (“Alliance”) was granted a license on March 13, 1987, to engage in business as a mortgage banker pursuant to Article XII-D of the New York Banking Law (the “Banking Law”) and currently maintains a principal office at 3601 Hempstead Turnpike, Suite 305, Levittown, NY 11756. Additionally, Alliance operates 32 branch offices located throughout New York State and New Jersey; and

Whereas, on June 13, 2007, the State of New York Banking Department (the “Department”) became aware of Alliance’s failure to fund closed loans, a violation of Part 38.7(a)(8) of the General Regulations of the Banking Board;

Whereas, Alliance’s failure to disburse funds is considered a default of its financial engagements, which may result in substantial harm to consumers afforded the protection of Article 12-D of the New York Banking Law;

Whereas, Section 592 of the Banking Law provides that the Superintendent may license an applicant as a mortgage banker if the Superintendent shall find that the applicant’s financial responsibility, experience, character and general fitness are such to command the confidence of the community that the applicant’s business will be operated honestly, fairly and efficiently within the purpose of Article 12-D of the Banking Law;

Whereas, pursuant to Section 595(1)(a) of the Banking Law, the Superintendent may revoke a mortgage banker’s license after a determination that the mortgage banker, through a course of conduct, violated any provisions of Article 12-D of the Banking Law or any rule or regulation promulgated by the Banking Board, or any rule or regulation prescribed by the Superintendent under and within the authority of Article 12-D or of any law, rule or regulation of this state or the federal government; and

Whereas, pursuant to Section 595(1)(b) of the Banking Law, the Superintendent may revoke a mortgage banker’s license if it is found that any fact or condition exists which, if it had existed at the time of original application for such license or registration, would have warranted the Superintendent in refusing originally to issue such license. Alliance’s current inability to fund closed loans demonstrates that it does not have the financial wherewithal to command the confidence of the community pursuant to Section 592 of the Banking Law;

Whereas, pursuant to Section 595(2) of the Banking Law, the Superintendent may for good cause shown, or where there is substantial risk of public harm, suspend Alliance’s mortgage banking license for a period not exceeding 30 days, pending investigation;

Whereas, pursuant to Section 595(5) of the Banking Law, the suspension of a mortgage banker license shall not impair or affect the obligation of any pre-existing lawful contract between Alliance and any person; and

Whereas, Alliance’s aforementioned actions constitute grounds for suspension or revocation of its license under Sections 595(1)(a) and (b) and 595(2),

NOW THEREFORE, the Superintendent hereby finds that Alliance Mortgage Banking Corp. has defaulted and is likely to default in performing its financial engagements and that good cause exists to suspend Alliance’s mortgage banking license and the Superintendent further finds that there is a substantial risk of public harm. Consequently, the Superintendent hereby immediately suspends Alliance’s mortgage banker license for a period not exceeding 30 days from the date of this Order pending investigation.

Witness, my hand and official seal of the Banking Department at the City of New York, this 25th day of June in the Year two thousand seven.

Rholda L. Ricketts
Deputy Superintendent of Banks

