



**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
ADMINISTRATIVE AGENCY CASE NO. 2024-AH-0009**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

FREEDOM MORTGAGE CORPORATION

RESPONDENT

AGREED ORDER

STATEMENT OF FACTS

1. The Department of Financial Institutions ("DFI") is responsible for regulating and licensing entities and certain individuals engaged in the business of mortgage brokering, origination, and processing in accordance with the provisions set forth in Kentucky Revised Statutes (KRS) Chapter 286.8 ("The Act").

2. Freedom Mortgage Corporation ("Respondent") is a mortgage loan company whose principal office is located at 951 Yamato Road, Suite 175, Boca Raton, Florida 33431 with License Number MC23872.

3. Respondent was originally licensed by DFI on March 31, 2009.

4. On November 10, 2023, DM filed a complaint with the Department alleging that Respondent did not completely pay the required 2021 and 2022 property taxes from his escrow account. Freedom did not adequately address DM's initial inquiries regarding the unpaid tax bills and the tax bills became delinquent. DM was forced to pay the tax bills with his own out-of-pocket funds. Freedom acknowledged these errors in a letter on December 13, 2023, and stated that DM had been refunded all out-of-pocket tax payments.

5. On March 19, 2024, AS filed a complaint with the Department alleging that Respondent made incorrect escrow calculations for his property in 2023 and 2024, resulting in AS's tax obligations not being timely paid. Freedom's response of April 2, 2024, acknowledged the error.

STATUTORY AUTHORITY

6. KRS 286.8-130 (6) states "Payments to the debtor's escrow account shall be promptly and properly credited. All escrowed taxes, insurance, and other items shall be paid in a timely fashion and not later than the statutory or contractual deadline applicable thereto."

7. KRS 286.8-130 (3) states, "The mortgage loan company shall, upon reasonable notice, account to any debtor whose property secures a loan made by the mortgage company for any funds which that person has paid to the mortgage loan company for the payment of taxes or insurance premiums on the property in question."

VIOLATIONS

8. Respondent violated KRS 286.8-130 (6) by failing to "promptly and properly credit" the escrow accounts of DM and AS and to timely pay property taxes for DM and AS.

9. Respondent violated KRS 286.8-130 (3) by failing to properly account to DM for the escrow funds had paid for property taxes.

AGREEMENT AND ORDER

10. Respondent neither admits nor denies violating any provision of KRS 286.8 or any regulations promulgated thereunder.

11. To resolve this matter without litigation or other adversarial proceedings, DFI and Respondent agree to compromise and settle all claims arising from the above-referenced factual background in accordance with the terms set forth herein.

12. In the interest of economically and efficiently resolving the violations described herein, DFI and Respondent agree as follows:

a. Respondent agrees to pay a civil penalty assessment in the amount of Three Thousand Dollars (\$3,000) for the violations described herein, which shall be payable upon entry of this order;

b. All payments shall be made electronically through the NMLS system;

c. Respondent shall show proof of filing of all outstanding federally required reports;

d. Respondent shall devote the time and resources necessary to ensure continual and full compliance with all statutory requirements set forth in KRS Chapter 286.8 and related regulation;

e. Respondent shall cease and desist from any future violations of the Kentucky Financial Services Code;

f. Respondent waives their right to demand a hearing at which they would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on their own behalf, or to otherwise appeal or set aside this Order;

g. Respondent consents to and acknowledges the jurisdiction of DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such;

h. In consideration of execution of this Agreed Order, Respondent hereby releases and forever discharges the Commonwealth of Kentucky, The Department of Financial Institutions, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that Respondent ever had, now has, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this investigation, this disciplinary action, this settlement or its administration;

i. By signing below, Respondent acknowledges they have read the foregoing Agreed Order and knows and fully understands its contents; and

j. This Agreed Order shall constitute the Final Order in this matter.

SO ORDERED on this the 7th day of June, 2024.

1st Marni Rock Gibson

MARNI ROCK GIBSON
COMMISSIONER

Consented to:

This 6 day of June, 2024.

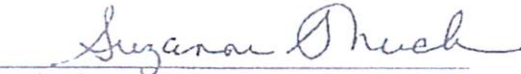


Hannah Carlin, Director
Division of Non-Depository Institutions
Department of Financial Institutions

AND

On behalf of Freedom Mortgage Corporation

This 5 day of June, 2024.



Authorized Representative
Freedom Mortgage Corporation


ACKNOWLEDGEMENT

STATE OF New Jersey)
))
COUNTY OF Burlington)

On this the 5 day of June, 2024, the undersigned did personally appear before me and acknowledged in my presence that, being authorized to do so, they did enter into and execute the foregoing instrument, on behalf of Freedom Mortgage Corporation for the purposes therein contained.

My Commission Expires: 8/22/2026




Notary Public

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Agreed Order was sent on this the 7
day of June, 2024, by certified mail, return receipt requested, to:

Rosanne Goldberg Hoch
Senior Vice President Customer Service
Freedom Mortgage
40 Lake Executive Center
401 RT 73N
Marlton, New Jersey 08053

Via hand-delivery to:

Elizabeth Borders
Staff Attorney
Department of Financial Institutions
500 Mero Street 2SW19
Frankfort, Kentucky 40601

Kentucky Department of Financial Institutions

Name: Allison Reed by Victoria Ward

Title: Executive Staff Advisor