

COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
ADMINISTRATIVE AGENCY CASE NO. 2016-AH-00028



DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

AGREED ORDER

LENDINGTREE, LLC
(License #: MB17994)

RESPONDENT

* * * * *

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

2. LendingTree, LLC (“Respondent”) is authorized to do business in Kentucky as a mortgage loan broker licensee, pursuant to KRS Chapter 286.8, with an office located at 11115 Rushmore Drive, Charlotte, North Carolina 28277, with License #: MB17994 (NMLS#: 1136) (ICIE #: 357609).

3. DFI conducted a routine examination of Respondent beginning on July 30, 2015 through November 6, 2015. During the examination, DFI discovered:

- a. Respondent omitted pertinent and material information as to mortgage credit product loan rates in its public advertisements (radio, print and internet) and issued deceptive commercial communications as to available mortgage credit product loan rates (radio, print and internet). These repeated acts

were committed over several years and the public advertisements and commercial communications were made available in the Commonwealth of Kentucky and made available to citizens of the Commonwealth of Kentucky, in violation of KRS 286.8-220(2)(b) and (h).

- b. Respondent is required to comply with all applicable state and federal laws and regulations, including the federal Mortgage Acts and Practices rules ("Regulation N") and the federal Truth in Lending ("T.I.L.A.") requirements. Respondent omitted pertinent and material information as to mortgage credit product loan rates in its public advertisements (radio, print and internet) and issued deceptive commercial communications as to available mortgage credit product loan rates (radio, print and internet). These repeated acts were committed over several years and the public advertisements and commercial communications were made available in the Commonwealth of Kentucky and made available to citizens of the Commonwealth of Kentucky. These acts constitute separate violations of KRS 286.8-220(2)(i), which specifically encompass violations of 12 C.F.R. 1014.3(b) [Regulation N] and 12 C.F.R. 1026.24(c) and (f) [T.I.L.A.], as applicable to the business transacted in the Commonwealth of Kentucky and mortgage products offered in the Commonwealth of Kentucky.

c. Respondent failed to clearly and conspicuously disclose all material facts as to the categories of interest rates to borrowers in its public advertisements and commercial communications which might reasonably affect a borrower's rights, interests or ability to receive intended benefits from a residential mortgage product, in violation of KRS 286.8-270(1)(b).

4. DFI possesses a range of administrative authority in addressing statutory and regulatory violations, including license revocation or denial, suspension or the imposition of civil penalties. See KRS 286.8-046 and KRS 286.8-090.

5. In this case, the DFI assessed a civil penalty against Respondent in the amount of **TWENTY-FIVE THOUSAND DOLLARS AND ZERO CENTS (\$25,000.00)** for the above-described violations of KRS 286.8.

6. In the interest of economically and efficiently resolving the violations described herein, and without Respondent admitting or denying the statements of fact and legal conclusions herein, DFI and Respondent agree as follows:

a. Respondent agrees to a civil penalty assessment in the amount of **TWENTY-FIVE THOUSAND DOLLARS AND ZERO CENTS (\$25,000.00)** for the violations described herein;

b. Respondent agrees to and shall pay the total civil penalty assessed herein of **TWENTY-FIVE THOUSAND DOLLARS AND ZERO CENTS (\$25,000.00)**, which shall be due upon entry of the Agreed Order. **The payment shall be in the form of a certified check or money order made payable to "Kentucky State**

Treasurer” and mailed to the Department of Financial Institutions, Attn: Non-Depository Division - ORDER, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601;

c. 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 808 KAR Chapter 12.

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

8. 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.

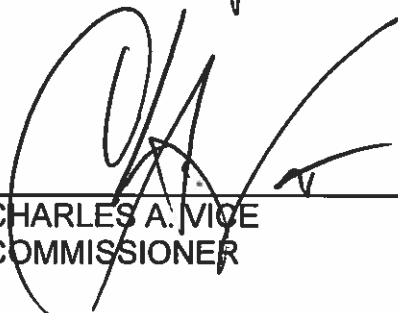
9. In consideration of execution of this Agreed Order, Respondent for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, DFI, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any 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.

10. By signing below, the parties acknowledge they have read the foregoing Agreed Order, know and fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties.

11. Respondent shall not engage in practices in the operation of its mortgage loan broker business and in the offering of and the advertisement of mortgage products in the Commonwealth of Kentucky which fail to disclose pertinent and material facts or which operate as untruthful, fraudulent or deceitful upon any person or entity or in violation of KRS Chapter 286.8.

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

IT IS SO ORDERED on this the 26th day of April, 2016.



CHARLES A. VICE
COMMISSIONER

Consented to:

This 25th day of April, 2016.

This 18 day of April, 2016.

Tammy R. Scruggs
 Tammy Scruggs, Director
 Division of Non-Depository Institutions
 Department of Financial Institutions

[Signature]
 Authorized Representative
 LendingTree, LLC
 Mortgage Broker License #: MB17994
 (NMLS #:1136)

ACKNOWLEDGEMENT

STATE OF North Carolina)
)
 COUNTY OF Mecklenburg)

On this the 18 day of April, 2016, before me Katharine Pierce the undersigned, Authorized Representative, did personally appear and acknowledge himself/herself to be the authorized representative of LendingTree, LLC, License #: MB17994, and that he/she, being authorized to do so, entered into and executed the foregoing instrument for the purposes therein contained.

My Commission Expires: 10/21/2019

[Signature]
 Notary Public



CERTIFICATE OF SERVICE

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I hereby certify that a copy of the foregoing **Agreed Order** was sent on this the
day of April, 2016, by certified mail, return receipt requested, to:

**John H. Henson
Vice-President/General Counsel
LendingTree, LLC
11115 Rushmore Drive
Charlotte, North Carolina 28277**

And by Hand-Delivery to:

Hon. Tiffany J. Bowman
1025 Capital Center Drive, Suite 200
Frankfort, KY 40601
Attorney for the Kentucky Department of Financial Institutions



Kentucky Department of Financial Institutions