Press Releases

CFPB Acknowledges "Responsible Conduct" In Consent Agreement With 1st Alliance Lending

EAST HARTFORD, Conn., Feb. 24, 2013 /PRNewswire/ -- On Thursday, February 20, 2014, 1st Alliance Lending, LLC and the Consumer Financial Protection Bureau entered into a voluntary Consent Order which resolves a self-reported, unintentional violation of the Real Estate Settlement Procedures Act (RESPA) discovered and disclosed to executive management in October 2012. 1st Alliance acted decisively by retaining counsel to review the payments, then reporting the inadvertent violations to regulators. The violations were technical in nature, involving a former service provider. As a result of the voluntary consent order, 1st Alliance will be paying an $83,000 civil money penalty.

1st Alliance self-policed, promptly self-reported the violations, and cooperated with the CFPB as they analyzed the issue. This was an isolated situation and the entire matter was limited to the relationship between 1st Alliance and a hedge fund that previously provided warehouse funding to 1st Alliance.

In June 2013, after 1st Alliance self-reported, the CFPB released Bulletin 2013-06, encouraging "responsible conduct" by financial institutions. 1st Alliance takes pride in having exhibited such conduct well in advance of the CFPB's issuance of that guidance. Companies like 1st Alliance, which regularly act in the best interest of the consumer, and exhibit "responsible conduct," now have some precedent and insight into the imports of such actions.

"We are pleased this matter has come to a conclusion," saidDavid Ward, General Counsel for 1st Alliance. "This agreement allows us to better focus resources on our core business – helping consumers avoid the loss of their home and providing them with sustainable home ownership through principal reduction and affordability."

1st Alliance Lending, LLC is a mortgage banker located inEast Hartford, Conn., serving 46 states. The company specializes in, and is the country's leading originator of principal reduction refinances. In cooperation with several mortgage servicers throughout the United States, 1st Alliance has helped thousands of American homeowners retain their homes.

SOURCE 1st Alliance Lending