§ 599-n. Enforcement authority; grounds for suspension or revocation of a mortgage loan originator license; restitution. 1. Licensee revocation. In addition to the authority set forth in subdivision three of this section, the superintendent may revoke a license to engage in business as a mortgage loan originator pursuant to this article if he or she finds, after notice and a hearing, that:

(a) Through a course of conduct, the licensee has violated any provisions of this article, or any rule or regulation promulgated by the superintendent thereunder, or any rule or regulation promulgated by the superintendent under article twelve-D of this chapter or of any other applicable law, rule or regulation of this state or the federal government pertaining to mortgage banking, brokering or loan originating; or

(b) Any fact or condition exists which, if it had existed at the time of the original application for such license, would have warranted the superintendent to refuse to issue such initial license.

2. Restitution. The superintendent may order a mortgage loan originator or any other person to pay restitution for violations of this article or any rules of the superintendent promulgated hereunder.

3. Suspension; termination. (a) The superintendent may, for good cause, or where there is a substantial risk of public harm, without notice or a hearing, issue an order suspending the license of any mortgage loan originator for a period not to exceed ninety days for investigation. "Good cause", as used in this subdivision, shall exist only when the mortgage loan originator has engaged or engages in dishonest or inequitable practices or practices which demonstrate incompetent mortgage loan originating, which practices may cause substantial harm to the persons afforded the protection of article twelve-D of this chapter, or the license of the mortgage loan originator was revoked in another state or jurisdiction participating in the NMLSR.

(b) The superintendent may, without notice or a hearing, issue an order suspending any license: (i) thirty days after the date the mortgage loan originator fails to file any report required to be filed with the superintendent pursuant to the authority provided by this article; or (ii) immediately upon notice that any required surety bond

with respect to the licensee is no longer in effect.

(c) If the superintendent has issued an order suspending a license pursuant to paragraph (a) of this subdivision, such license may be reinstated if the superintendent determines, in his or her sole discretion after investigation, that good cause therefor did not exist or no longer exists. If the superintendent has issued an order suspending a license pursuant to paragraph (b) of this subdivision, such license may be reinstated, if the superintendent determines, in his or her sole discretion, that the licensee has cured all deficiencies set forth in such order by the close of business ninety days after the date of such suspension order. Otherwise, in case of a suspension pursuant to paragraph (b) of this subdivision, unless the superintendent has, in his or her sole discretion, extended such suspension, the license of such mortgage loan originator shall be deemed to be automatically terminated by operation of law at the close of business on such ninetieth day.

4. Requirement for a hearing. Except as provided in subdivision three of this section, no license shall be revoked or suspended except after notice and a hearing thereon. Any order of suspension issued after notice and a hearing may include as a condition of reinstatement that restitution be made to consumers of fees or other charges which have been improperly charged or collected as determined by the superintendent.

5. Surrender of license. With the prior consent of the superintendent, any mortgage loan originator may surrender any license by delivering to the superintendent written notice that he or she thereby surrenders such license, but such surrender shall not affect such mortgage loan originator's civil or criminal liability for acts committed prior to such surrender or its obligations to the superintendent for assessments, fees or administrative actions with respect to the periods before such surrender.

6. Continuation of liability. A suspension, revocation or termination of a license in accordance with this article shall not affect such mortgage loan originator's civil or criminal liability for acts committed prior to such suspension, revocation or termination or its

obligations to the superintendent for assessments, fees or administrative actions with respect to the periods before such suspension, revocation or termination.

7. Continuation of contracts. No revocation, suspension, surrender or termination of any license under this article shall impair or affect the obligation of any preexisting lawful contract between any licensee under article twelve-D of this chapter and any person.

8. Continuation of license. Every license issued pursuant to this article shall remain in force and effect until the same shall have been surrendered, revoked, terminated or suspended in accordance with any provision of this article, but the superintendent shall have authority in his or her sole discretion to reinstate a suspended license or to issue a new license to a mortgage loan originator whose license shall have been revoked or terminated if no fact or condition then exists which would have warranted the superintendent to refuse to issue such initial authorization under this article.

9. Notice of revocation or suspension; review. Whenever the superintendent shall revoke or suspend a license issued pursuant to this article, he or she shall forthwith execute multiple copies of a written order to that effect. The superintendent shall file one copy of such order in the office of the department and shall forthwith serve a copy upon the mortgage loan originator and any affected originating entity. Any such order may be reviewed in the manner provided by article seventy-eight of the civil practice law and rules. Such application for review as authorized by this section must be made within thirty days from the date of such order of suspension or revocation.

10. Notice of termination. Whenever a license shall have terminated in accordance with this article, the superintendent shall notify the mortgage loan originator and any affected originating entity that the license has terminated and that the mortgage loan originator may not engage in the business of soliciting, processing, placing or negotiating a mortgage loan or offering to solicit, process, place or negotiate a mortgage loan in this state.

11. Hearing requirements. Any hearing held pursuant to the provisions of this section shall be subject to the provisions of the state administrative procedure act.