

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING

FILED

2008 SEP 16 AM 10:13

---

COMMONWEALTH OF PENNSYLVANIA	:	Docket No.: 08	DEPT OF BANKING
DEPARTMENT OF BANKING, BUREAU	:	0243	(ENT - CO)
OF COMPLIANCE, INVESTIGATION	:		
AND LICENSING	:		
	:		
v.	:		
	:		
SUPERIOR MORTGAGE CORP.	:		
d/b/a SUPERIOR HOME MORTGAGE CORP.	:		

---

**CONSENT AGREEMENT AND ORDER**

The Commonwealth of Pennsylvania, acting through the Department of Banking, (the "Department"), Bureau of Examinations, has conducted an examination of Superior Mortgage Corp. (d/b/a Superior Home Mortgage Corp.), and its officers, employees and directors ("Superior Mortgage"). Based on the results of the examination, the Bureau of Compliance, Investigation and Licensing (the "Bureau") believes that Superior Mortgage operated in violation of the Mortgage Bankers and Brokers & Consumer Equity Protection Act (the "MBBCEPA"), 63 P.S. § 456.101 et seq., and the Secondary Mortgage Loan Act (the "SMLA"), 7 P.S. § 6601 et seq. The parties to the above captioned matter, in lieu of litigation, hereby stipulate that the following statements are true and correct in the settlement of the above-captioned matter and, intending to be legally bound, hereby agree to the terms of this Consent Agreement and Order (the "Order").

**BACKGROUND**

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the MBBCEPA and the SMLA.

2. The Bureau is primarily responsible for administering and enforcing the MBBCEPA and SMLA for the Department.

3. Superior Mortgage is licensed as a First Mortgage Banker, license no. 1351, and as a Secondary Mortgage Lender, license no. 0501, with its principal place of business in Pennsylvania at 533 W. Uwchlan Ave, Downingtown, PA 19335 (the "Principal Place").

4. On August 13, 2007, an examination of Superior Mortgage commenced at its Principal Place (the "Examination").

#### Unlicensed Locations

5. The Examination revealed that Superior Mortgage closed a total of thirty-three (33) first mortgage loans at unlicensed branch offices:

- (a) thirteen (13) at 1030 Hooper Avenue, Suite 2A, Toms River, NJ 08753;
- (b) ten (10) at 701 West Avenue, 2nd Floor, Ocean City, NJ 08226;
- (c) ten (10) at Superior's former branch office located in Indianapolis, IN and
- (d) five (5) at 1521 Concord Pike, Suite 102, Wilmington, DE 19803.

6. Specifically, the Examination revealed that Superior Mortgage's Uniform Residential Loan Applications and other various first mortgage loan documents listed information for these location indicating the location listed in Paragraph 5 as the place of origination.

7. Section 302 of the MBBCEPA defines a branch location as "[a]n office or other place of business located in this Commonwealth or any other state, other than the principal place of business, where a person engages in the first mortgage loan business which falls under the scope of this chapter." 63 P.S. § 456.302.

8. Section 304(a) of the MBBCEPA provides, in relevant part, that “[e]ach application shall include the address *or addresses* where business is to be conducted ...” 63 P.S. § 456.304(a) (emphasis added).

9. Section 305(a) of the MBBCEPA provides, in relevant part, that “[a] mortgage banker, mortgage broker or applicant shall pay to the department at the time an application is filed an initial license fee for the principal place of business and *an additional license fee for each branch office ...*” 63 P.S. § 456.305(a) (emphasis added). Additionally, Section 305(a) of the MBBCEPA provides, in relevant part, that “a licensee shall pay a license renewal fee for the principal place of business and an additional license renewal fee *for each branch office ...*” 63 P.S. § 456.305(a) (emphasis added).

10. Based upon the foregoing, any office of a licensee where first mortgage loan business is conducted pursuant to the MBBCEPA must be licensed as a branch under the MBBCEPA.

11. The Examination revealed that Superior Mortgage closed a total of two (2) secondary mortgage loans at unlicensed branch offices:

(a) one (1) at 701 West Avenue, 2nd Floor, Ocean City, NJ 08226 and

(b) one (1) at 1521 Concord Pike, Suite 102, Wilmington, DE 19803.

12. Specifically, the Examination revealed that Superior Mortgage’s Uniform Residential Loan Applications and other various secondary mortgage loan documents listed information for these location indicating the location listed in ¶ 10 as the place of origination..

13. Section 4(a)(5) of the SMLA requires an application to contain “[t]he address or addresses where the secondary mortgage loan business is to be conducted.” 7 P.S. § 6604(a)(5).

14. Thus, any of a licensee's branch offices where business under the SMLA is conducted must be licensed as branch offices under the SMLA.

#### Authority of the Department

15. Section 310(a) of the MBBCEPA grants the Department the authority to issue orders as may be necessary for the enforcement of the MBBCEPA. 63 P.S. § 456.310(a).

16. Section 314(c) of the MBBCEPA provides, in relevant part, that "[a]ny person licensed under the provisions of this chapter or any director, officer, employee or agent of a licensee who shall violate the provisions of this chapter or shall direct or consent to such violations shall be subject to a fine levied by the department of up to \$2,000 for each offense." 63 P.S. § 456.314(c).

17. Section 16(1) of the SMLA grants the Department the authority to issue orders as may be necessary for the enforcement of the SMLA. 7 P.S. § 6616(1).

18. Section 22(b) of the SMLA provides, in relevant part, that "a corporation licensed under the provisions of this act or any director, officer, employee or agent who shall violate any provision of this act or shall direct or consent to such violations, shall be subject to a fine of \$2,000 for the first offense, and for each subsequent offense a like fine and/or suspension of license." 7 P.S. § 6622(b).

#### **VIOLATION**

19. By originating first mortgage loans from unlicensed locations, Superior Mortgage is in violation of Sections 304(a) and 305(a) of the MBBCEPA.

20. By originating secondary mortgage loans from unlicensed locations, Superior Mortgage is in violation of Section 4(a)(5) of the SMLA.

## RELIEF

21. Fine. Within thirty (30) days of the Effective Date of this Order, Superior Mortgage shall pay to the Department a fine in the amount of \$12,000, by certified check or money order made payable to the Department.

22. Corrective Measures. Upon the Effective Date of this order, Superior Mortgage shall cease and desist from originating first and/or secondary mortgage loans from unlicensed locations.

## FURTHER PROVISIONS

23. Consent. Superior Mortgage hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's order authority under the MBBCEPA and the SMLA and agrees that it understands all of the terms and conditions contained herein. Superior Mortgage, by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

24. Publication and Release. Superior Mortgage hereby consents to the publication and release of this Order.

25. Entire Agreement. This Order constitutes the whole and entire agreement between the parties. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Bureau and Superior Mortgage.

26. Binding Nature. The Bureau, Superior Mortgage, and all officers, owners, directors, employees, heirs and assigns of Superior Mortgage intend to be and are legally bound by the terms of this Order.

27. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

28. Effectiveness. Superior Mortgage hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order (the "Effective Date").

29. Other Enforcement Action.

a. The Department reserves all of its rights, duties, and authority to enforce all statutes, rules and regulations under its jurisdiction against Superior Mortgage in the future regarding all matters not resolved by this Order.

b. Superior Mortgage acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department or office regarding matters within this Order.

30. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

31. Counterparts. This Order may be executed in separate counterparts and via facsimile.

32. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

