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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING

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COMMONWEALTH OF PENNSYLVANIA	:	Docket No.: 09	PA DEPT OF BANKING
DEPARTMENT OF BANKING, BUREAU OF	:	<u>0109</u>	(ENF-C&D)
NON-DEPOSITORY EXAMINATION,	:		
	:		
v.	:		
	:		
CT LOANS CENTER INC.	:		
	:		

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**ORDER TO CEASE AND DESIST**

Background

WHEREAS, the Department of Banking (the "Department") is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce 7 Pa. C.S. § 6101 et seq. (relating to mortgage loan industry licensing and consumer protection) (the "Mortgage Act"); and

WHEREAS, the Bureau of Non-Depository Examination (the "Bureau") has been authorized to issue orders pursuant to the Mortgage Act; and

WHEREAS, CT Loans Center Inc. is a business located in California that is engaged in the business of negotiating modifications to existing mortgage loans of consumers; and

WHEREAS, on or around May 2009 the Bureau became aware that CT Loans Center Inc. was engaged in the business of negotiating modifications to existing mortgage loans of Pennsylvania consumers; and

WHEREAS, CT Loans Center Inc. advertises loan modifications on its website, [www.ctloanscenter.com](http://www.ctloanscenter.com); and

WHEREAS, in May 2009 a Department employee contacted CT Loans Center Inc at [contact@ctloanscenter.com](mailto:contact@ctloanscenter.com), an email address located on the website [www.ctloanscenter.com](http://www.ctloanscenter.com); and

WHEREAS, the Department employee and an employee of CT Loans Center Inc. had the following email exchange:

DOB: Hi, I live in Pennsylvania. Can you help me with a loan modification? Thanks

CT: Yes, we can help You, [sic], we worked [sic] nationwide US [sic]. Just fill in our application and we will take care of You [sic]. We will first make sure you qualify.

DOB: Is refinancing an option I can Do [sic]. Thanks

CT: Yes it is. You Just [sic] write under the comments, that you are interested in the refinancing your home [sic]. (See Exhibit A)

WHEREAS, the Mortgage Act applies to any mortgage loan that is “(i) negotiated, offered or otherwise transacted within this Commonwealth, in whole or in part, whether by the ultimate lender or any other person; (ii) made or executed within this Commonwealth; or (iii) notwithstanding the place of execution, secured by real property located in this Commonwealth” or to “[a]ny person who engages in the mortgage loan business in this Commonwealth.” 7 Pa. C.S. § 6151; and

WHEREAS, Section 6102 of the Mortgage Act defines a “first mortgage loan” as “[a] loan which is secured in whole or in part by a first lien upon any interest in real property created by a security agreement, including a mortgage, indenture, deed of trust or any other similar

instrument or document, which real property is used as a one-family to four-family dwelling, a portion of which may be used for nonresidential purposes.” 7 Pa. C.S. § 6102; and

**WHEREAS**, Section 6102 of the Mortgage Act defines a “secondary mortgage loan” as “[a] loan which is secured in whole or in part by a lien upon any interest in real property created by a security agreement, including a mortgage, indenture, deed of trust or any other similar instrument or document, which real property is subject to a prior lien and which is used as a one-family to four-family dwelling, a portion of which may be used for nonresidential purposes.” 7 Pa. C.S. § 6102; and

**WHEREAS**, Section 6102 of the Mortgage Act defines a “mortgage loan” as “[a] first or secondary mortgage loan, or both, as the context may require.” 7 Pa. C.S. § 6102; and

**WHEREAS**, Section 6102 of the Mortgage Act defines “mortgage loan business” as “[t]he business of advertising, causing to be advertised, soliciting, negotiating or arranging in the ordinary course of business or offering to make or making mortgage loans.” 7 Pa. C.S. § 6102 (emphasis added); and

**WHEREAS**, by offering to refinance a mortgage loan to a Pennsylvania consumer as part of the loan modification, CT Loans Center Inc. has engaged in the “mortgage loan business” as defined in the Mortgage Act; and

**WHEREAS**, CT Loans Center Inc. is not licensed to conduct mortgage loan business in Pennsylvania; and

**WHEREAS**, Section 6111 of the Mortgage Act provides that “. . . no person shall engage in the mortgage loan business in this Commonwealth without being licensed as a mortgage broker, mortgage lender, mortgage loan correspondent or mortgage originator as provided under this chapter.” 7 Pa. C.S. § 6111; and

**WHEREAS**, CT Loans Center Inc. has violated the Mortgage Act by engaging in the mortgage loan business in Pennsylvania without a license; and

**WHEREAS**, Section 6138(a)(4) of the Mortgage Act provides the Department with authority to issue orders as may be necessary for the proper conduct of the mortgage loan business and the enforcement of the Mortgage Act. 7 Pa. C.S. § 6138(a)(4); and

**WHEREAS**, Section 6140(a) of the Mortgage Act provides, in relevant part that “[a] person subject to the provisions of this chapter and not licensed by the department who violates any provision of this chapter or who commits any action which would subject a license to suspension, revocation or nonrenewal under section 6139 (relating to suspension, revocation or refusal) may be fined by the department up to \$10,000 for each offense.” 7 Pa. C.S. § 6140(a); and

**AND NOW, THEREFORE**, since CT Loans Center Inc. has engaged in unlicensed activity, the Bureau, pursuant to its authority referenced above hereby imposes the following Order:

1. Upon the effective date of this Order, CT Loans Center Inc. shall cease and desist from engaging in the mortgage loan business subject to the Mortgage Act, including, but not limited to, advertising (including website advertising) refinancing mortgage loans for Pennsylvania consumers and in refinancing mortgage loans for Pennsylvania consumers, unless and until such time that CT Loans Center Inc. is licensed by the Department pursuant to the Mortgage Act.

2. Upon the effective date of this Order, CT Loans Center Inc. shall provide a list of Pennsylvania consumers that are working with CT Loans Center Inc. The list shall include, but is not limited to:

- a. The names of all Pennsylvania consumers that have responded to CT Loans Center Inc.'s advertisements or that CT Loans Center Inc. has as clients;
- b. The address and telephone numbers of the consumers listed in (a); and
- c. The current application status.

The list shall be sent to Tim Knopp, Senior Financial Institutions Examiner, Bureau of Non-Depository Examination, at \_\_\_\_\_ 5:00 PM eastern time on the effective date of this Order.

3. Upon the effective date of this Order, CT Loans Center Inc. shall provide a list of any other websites or advertising sources that CT Loans Center Inc. utilizes. The list shall be sent to Tim Knopp, Senior Financial Institutions Examiner, Bureau of Non-Depository Examination, at \_\_\_\_\_ by 5:00 PM eastern time on the effective date of this Order.

4. If CT Loans Center Inc. is in the business of selling leads generated from its website, upon the effective date of this Order, CT Loans Center Inc. shall provide a list of all companies CT Loans Center Inc. sold the leads to. This list shall include:

- a. the name of the companies
- b. the address of the companies
- c. the telephone numbers; and
- d. name of a contact at the companies.

The list shall be sent to Tim Knopp, Senior Financial Institutions Examiner, Bureau of Non-Depository Examination, at \_\_\_\_\_ by 5:00 PM eastern time on the effective date of this Order.



**EXHIBIT A**

Print

From: Daniel Star ()  
To: Jack Talalai  
Date: Friday, May 22, 2009 1:43:43 PM  
Subject: Re: Loan Help

Yes it is, You Just write under the comments, that you are interested in the refinancing your home

At 07:36 AM 5/22/2009, you wrote:

Is refinancing an option I can Do. Thanks

From: Daniel Star < >  
To: Jack Talalai  
Sent: Monday, May 18, 2009 4:23:44 PM  
Subject: Re: Loan Help

Yes, we can help You, we worked nationwide US. Just fill in our application and we will take care of You. We will first make sure you qualify.

At 08:48 AM 5/18/2009, you wrote:

Hi, I live in Pennsylvania. Can you help me with a loan modification? Thanks

\*\*\*\*\*

CEO - Lenders  
Tel.: +1  
Fax: +1  
Cell: +1  
Efax: +1  
[www.ctloanscenter.com](http://www.ctloanscenter.com)

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Order to Cease and Desist upon the parties below, who constitute the only parties of record in this proceeding, in accordance with the requirements of 1 Pa. Code §§ 33.35, 33.36 and 33.37:

BY CERTIFIED AND FIRST CLASS MAIL

CT Loans Center Inc.  
706 S. Hill Street  
Suite 420  
Los Angeles, CA 90014

Dated this 10<sup>th</sup> day of June, 2009.

\_\_\_\_\_  
Lauren A. Sassani  
Assistant Counsel  
Attorney I.D. # 203016  
FOR: Commonwealth of Pennsylvania  
Department of Banking  
17 North Second Street, Suite 1300  
Harrisburg, PA 17101  
(717) 787-1471