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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

PA DEPT OF BANKING

COMMONWEALTH OF PENNSYLVANIA :
DEPARTMENT OF BANKING, BUREAU : Docket No. : 100108(ENF-ORD)
OF COMPLIANCE, INVESTIGATION :
AND LICENSING, :
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v. :

1ST FORECLOSURE PREVENTION. :
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CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"), Bureau of Compliance, Investigation and Licensing ("Bureau") has reviewed the business practices of 1st Foreclosure Prevention, and its officers, employees and directors. Based on the results of its review, the Bureau believes that 1st Foreclosure Prevention operated in violation of the Mortgage Licensing Act, 7 Pa. C.S. § 6101 *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 and conditions of this Consent Agreement and Order ("Order").

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the Mortgage Licensing Act.
2. The Bureau is primarily responsible for administering and enforcing the Mortgage Licensing Act for the Department.
3. The Mortgage Licensing Act was amended on August 5, 2009 by Act 31 of 2009, H.B. 1654 (P.N. 2448).

4. 1st Foreclosure Prevention maintains a website, www.1stforeclosureprevention.com (the "Website") that advertises that 1st Foreclosure is in the mortgage loan modification business.

5. "Pennsylvania" was included in the dropdown menu under the "Complimentary Loan Modification Consultation" section of the Website and listed at the bottom of the webpage under the "Loan Modification Help & Loan Modification Guidelines" section of the Website.

6. 1st Foreclosure Prevention's corporate office is located at 67 Buck Road B25, Huntingdon Valley, PA 19006.

7. The Mortgage Licensing 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." 7 Pa. C.S. § 6135(1) (emphasis added).

8. Section 6102 of the Mortgage Licensing 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.

9. By advertising the loan modification business to Pennsylvania consumers on the Website and being physically located in Pennsylvania, 1st Foreclosure Prevention engaged in the "mortgage loan business" as defined in the Mortgage Licensing Act.

10. Section 6111(a) of the Mortgage Licensing 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. A mortgage originator may not engage in the mortgage loan

business unless the mortgage originator is employed and supervised by a licensed mortgage broker, mortgage lender or mortgage loan correspondent. . .” 7 Pa. C.S. § 6111(a).

11. 1st Foreclosure Prevention does not meet any of the exceptions to licensure in Sections 6111(b) and 6112 of the Mortgage Licensing Act. See 7 Pa. C.S. § 6111(b), 6112.

12. 1st Foreclosure Prevention is not licensed to engage in the mortgage loan business in Pennsylvania.

13. On April 5, 2010 the Bureau issued a cease and desist order against 1st Foreclosure Prevention for engaging in the mortgage loan business in Pennsylvania without a license.

14. This Order resolves the April 5, 2010 cease and desist order.

Authority of the Department

15. Section 6138(a)(4) of the Mortgage Licensing 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 Licensing Act. 7 Pa. C.S. § 6138(a)(4).

VIOLATION

16. 1st Foreclosure Prevention has violated the Mortgage Licensing Act by engaging in the mortgage loan business in Pennsylvania without a license.

RELIEF

17. Corrective Action. Upon the Effective Date of this Order, 1st Foreclosure Prevention and any and all officers, members, managers, employees, independent contractors or agents of 1st Foreclosure Prevention shall cease and desist from engaging in the mortgage loan business subject to the Mortgage Licensing Act, including, but not limited to, advertising (including website advertising), accepting applications and negotiating mortgage loans and

mortgage loan modifications in Pennsylvania or to Pennsylvania consumers, unless and until such time that 1st Foreclosure Prevention and all loan originators as defined by the Mortgage Licensing Act are licensed by the Department pursuant to the Mortgage Licensing Act.

18. It has been agreed upon, between the Department and 1st Foreclosure Prevention, that 1st Foreclosure Prevention will remove any reference to Pennsylvania from its website. This includes the dropdown menu under the "Complimentary Loan Modification Consultation" section and listed at the bottom of the webpage under the "Loan Modification Help & Loan Modification Guidelines" as well as "Loan Modification Foreclosure Laws & Procedures" sections.

19. 1st Foreclosure Prevention also agrees to close the corporate office located at 67 Buck Road B25, Huntingdon Valley, PA 19006 and assign the new principal place of business to 3422 Old Capitol Trail, Wilmington, Delaware 19808.

FURTHER PROVISIONS

20. Consent. 1st Foreclosure Prevention hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's order authority under the Mortgage Licensing Act and agrees that it understands all of the terms and conditions contained herein. 1st Foreclosure Prevention 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.

21. Publication. The Department will publish this Order pursuant to its authority in Section 302.A.(5) of the Department of Banking Code, 71 P.S. § 733-302.A.(5).

22. Entire Agreement. This Order contains the whole 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 1st Foreclosure Prevention.

23. Binding Nature. The Department, 1st Foreclosure Prevention, and all officers, owners, directors, employees, heirs and assigns of 1st Foreclosure Prevention intend to be and are legally bound by the terms of this Order.

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

25. Effectiveness. 1st Foreclosure Prevention hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order ("Effective Date").

26. 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 1st Foreclosure Prevention in the future regarding all matters not resolved by this Order.

b. 1st Foreclosure Prevention 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.

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

28. Counterparts. This Order may be executed in separate counterparts, by facsimile or by PDF.

29. 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.

