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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

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PA DEPT OF BANKING

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING, BUREAU
OF COMPLIANCE, INVESTIGATION
AND LICENSING

Docket No. 10 0247 (ENF-CO)

v.
PRIORITY FINANCIAL SERVICES, INC.

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"), Bureau of Examinations, has conducted an examination of Priority Financial Services, Inc. ("Priority Financial"), and its officers, employees and directors. Based on the results of the examination, the Bureau of Compliance, Investigation and Licensing ("Bureau") believes that Priority Financial 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 of this Consent Agreement and Order ("Order").

BACKGROUND

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. Priority Financial is currently licensed under the Mortgage Licensing Act as a Mortgage Broker, license no. 23703, with a Nationwide Mortgage Licensing System and Registry identification number of 143274.

4. Priority Financial maintains its principal place of business at 2146 Ardmore Blvd, Pittsburgh, PA 15221-4824 ("Principal Place").

5. Maurice Barry Prior ("Mr. Prior") is listed as the President, 100% owner and sole employee of Priority Financial.

6. On or around March 23, 2010 a Department examiner initiated an examination ("Examination") of Priority Financial at the Principal Place.

Unlicensed Loan Originator

7. The Mortgage Licensing Act is the successor statute to Chapter 3 of the Mortgage Bankers and Brokers and 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. On November 5, 2008, Chapter 3 of the MBBCEPA and the SMLA were repealed by operation of law and replaced by the Mortgage Licensing Act.

8. Section 6111(a) of the Mortgage Licensing Act provides, in relevant part, "on and after the effective date of this section, 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(a).

9. The Mortgage Licensing Act was amended on August 5, 2009 by Act 31 of 2009, H.B. 1654 (P.N. 2448).

10. Within sixty (60) days from the August 5, 2009 amendment date, individuals who were previously exempt from licensure as loan originators, including owners of sole proprietorships, had to file for a license and to cease engaging in the business of a mortgage originator unless and until such time as they were granted the proper license.

11. Mr. Prior, previously exempt from individual licensure as President and Owner of Priority Financial, was able to engage in the mortgage business until October 5, 2009 at which time he was required to submit an application for a mortgage originator license.

12. The Examination revealed that Mr. Prior originated fourteen (14) Pennsylvania residential mortgage applications subsequent to October 5, 2009, the date all individuals, including previously exempt individuals, engaging in the mortgage loan business were required to be licensed under the Mortgage Licensing Act.

13. Mr. Prior has informed the Department that the violation was unintentional and was due to confusion during the transition.

14. Mr. Prior completed the required pre-licensure education and passed the required PA-S.A.F.E. and National-S.A.F.E. tests prior to the Examination.

15. Upon notification of the violation, Mr. Prior took immediate action to become compliant and is currently licensed as a mortgage loan originator.

Authority of the Department

16. Section 6138(a)(4) of the Mortgage Licensing Act grants the Department broad authority to issue orders for the proper conduct of the mortgage licensing business and the enforcement of the Mortgage Licensing Act. 7 Pa. C.S. § 6138(a)(4).

17. Section 6139(a)(14) of the Mortgage Licensing Act provides that the Department may suspend, revoke or refuse to renew a license if the licensee or a director, officer, partner,

employee or owner of a licensee if a mortgage broker has “. . . conducted the mortgage loan business through an unlicensed mortgage originator.” 7 Pa. C.S. § 6139(a)(14).

18. Section 6140(b) of the Mortgage Licensing Act provides, in relevant part, that “[a] person licensed under this chapter or director, officer, owner, partner, employee or agent of a licensee who violates a provision of this chapter or who commits any action which would subject the licensee to suspension, revocation or nonrenewal under section 6139 may be fined by the department up to \$10,000 for each offense.” 7 Pa C.S. § 6140(b).

VIOLATIONS

19. It is the Department’s position that Priority Financial was in violation of Section 6111(a) of the Mortgage Licensing Act by engaging in unlicensed activity.

20. It is the Department’s position that Priority Financial was in violation of Section 6139(a)(14) of the Mortgage Licensing Act by accepting mortgage loans from unlicensed loan originators.

RELIEF

21. Fine and Examination Costs. Priority Financial agrees to pay a fine in the amount of three thousand dollars (\$3,000) along with the examination costs of two thousand five hundred fifty eight dollars and sixty cents (\$2,550.60) on the following schedule: one payment of \$958.60 followed by five payments of \$920.00 with the first payment due within 30 days of the Effective Date of this Order and subsequent payments due 30 days thereafter until paid in full. Payments shall be made by certified check or money order made payable to the “Department of Banking” and shall be sent to the attention of the Department of Banking, Bureau of Compliance, Investigation and Licensing located at 17 North Second Street, Suite 1300, Harrisburg, Pennsylvania 17101.

22. Corrective Measures. Upon the Effective Date of this Order, Priority Financial shall ensure that all Pennsylvania residential mortgage applications accepted are from individuals properly licensed under the Mortgage Licensing Act.

FURTHER PROVISIONS

23. Consent. Priority Financial 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. Priority Financial, 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. 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).

25. 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 Priority Financial.

26. Binding Nature. The Department, Priority Financial, and all officers, owners, directors, employees, heirs and assigns of Priority Financial 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. Priority Financial 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 Priority Financial in the future regarding all matters not resolved by this Order.

b. Priority Financial 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, by facsimile or electronic mail in portable document format "PDF."

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.

WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Department and Priority Financial intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING, BUREAU OF
COMPLIANCE, INVESTIGATION AND LICENSING**

Ryan M. Walsh, Administrator
Bureau of Compliance, Investigation and Licensing
Department of Banking

Date: October 5, 2010

FOR PRIORITY FINANCIAL SERVICES, INC.

(Officer Signature)

(Print Officer Name)

PRESIDENT

(Title)

Date: 9/30/10