

PA DEPT OF BANKING

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

Docket No. 10 0248 (ENF-CO)

v.

UNITED FINANCIAL MANAGEMENT  
GROUP, INC.

**CONSENT AGREEMENT AND ORDER.**

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"), Bureau of Examinations, has conducted an examination of United Financial Management Group Inc. ("United Financial Management"), and its officers, employees and directors. Based on the results of the examination, the Bureau of Compliance, Investigation and Licensing ("Bureau") believes that United Financial Management 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. United Financial Management Group Inc. ("United Financial") is licensed as a mortgage broker, license no. 21487 under the Mortgage Licensing Act with a Nationwide Mortgage Licensing System and Registry number of 140955.

4. United Financial Management maintains its principal place of business at 2061 W. La Plume Rd, La Plume, PA 18440.

5. On or around March 29, 2010, the Department initiated an examination of United Financial Management at the La Plume location.

#### Unlicensed Mortgage Originator

6. 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 On November 5, 2008, Chapter 3 of the MBBCEPA and the SMLA were repealed by operation of law and replaced by the Mortgage Licensing Act. The Mortgage Licensing Act was amended on August 5, 2009 by Act 31 of 2009, H.B. 1654 (P.N. 2448).

7. 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).

8. The Examination revealed that United Financial Management had originated forty-seven (47) mortgage loans from an employee that was not licensed as a mortgage originator.

9. United Financial Management is required to directly supervise, control and maintain responsibility for the acts and omissions of the mortgage originators it employs. 7 Pa. C.S. § 6131(f)(1).

10. By failing to ensure that United Financial Management employed only licensed mortgage loan originators, United Financial Management failed to directly supervise, control and maintain responsibility for the acts and omission of the mortgage originators they employed as required by the Mortgage Licensing Act.

#### Authority of the Department

11. 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).

12. Section 6139 of the Mortgage Licensing Act provides that the Department may suspend, revoke or refuse to renew a license issued under the Mortgage Licensing Act if an owner has "failed to comply with or violated any provision of this chapter. . ." and if "a mortgage broker, mortgage lender or mortgage loan correspondent, conducted the mortgage loan business through an unlicensed mortgage originator." 7 Pa. C.S. § 6139(a)(2) and (a)(14).

13. 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

14. United Financial Management violated Sections 6111(a) and 6139(a)14) of the Mortgage Licensing Act by accepting mortgage loans from unlicensed mortgage originators.

15. United Financial Management violated Section 6131(f)(1) of the Mortgage Licensing Act by failing to properly control and supervise its employees in accordance with the requirements of the Mortgage Licensing Act.

## RELIEF

15. Fine. United Financial Management agrees to pay a fine of eleven thousand seven hundred fifty dollars (\$11,750) on the following schedule; one payment of three thousand dollars (\$3,000) due within thirty (30) days of the Effective Date of the Order followed by ten (10) payments of eight hundred seventy five dollars (\$875) due every thirty (30) days thereafter until paid in full. Fine payments shall be remitted by certified check or money order made payable to the Pennsylvania Department of Banking and sent to the attention of the Compliance Division, Bureau of Compliance, Investigation and Licensing, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

16. Corrective Measures. Upon the Effective Date of this Order, United Financial Management shall cease and desist from conducting the mortgage loan business through unlicensed mortgage originators and from failing to properly control and supervise its employees in accordance with the requirements of the Mortgage Licensing Act.

## FURTHER PROVISIONS

17. Consent. United Financial Management hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order issued pursuant to the Bureau's order authority under the Mortgage Licensing Act and agree that they understand all of the terms and

conditions contained herein. United Financial Management, 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.

18. 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)

19. 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 United Financial Management.

20. Binding Nature. The Department, United Financial Management and all officers, owners, directors, employees, heirs and assigns of United Financial Management intend to be and are legally bound by the terms of this Order.

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

22. Effectiveness. United Financial Management hereby stipulates and agrees that the Order shall become effective on the date the Bureau executes the Order the "Effective Date").

23. 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 United Financial Management, in the future regarding all matters not resolved by this Order.

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

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

25. Counterparts. This order may be executed in separate counterparts and by facsimile or electronic mail in portable document format "pdf."

26. 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 United Financial Management 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**

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

Date: October 5, 2010

UNITED FINANCIAL MANAGEMENT GROUP INC.

\_\_\_\_\_  
(Officer Signature)

\_\_\_\_\_  
(Print Officer Name)

Owner  
\_\_\_\_\_  
(Title)

Date: Sept. 8, 2010