

4. The Bureau is primarily responsible for administering and enforcing the Mortgage Licensing Act and the Proper Conduct Regulation for the Department.

5. Ameriorm Interbanc is currently licensed under the Mortgage Licensing Act as a mortgage broker, with license number 2043 and with the National Mortgage Licensing System Registry ("NMLS") identification number of 25251.

6. American Interbanc maintains its principal place of business at 1 Park Plaza, Suite 100, Irvine, California 92614.

7. American Interbanc maintains a licensed branch office at 50 E. Philadelphia Avenue, Boyertown, Pennsylvania 19512 ("Boyertown branch").

8. On or around September 27, 2010, the Bureau conducted an examination ("Examination") of American Interbanc at its Boyertown branch.

9. American Interbanc's execution of this Order and adherence to its terms is not an admission of wrongdoing by American Interbanc.

Unlicensed Activity

10. The exam revealed that American Interbanc accepted at least fourteen (14) Pennsylvania residential mortgage loan applications signed by fourteen (14) unlicensed individuals between January 2009 and the date of the examination.

11. As of January 1, 2009, individuals acting as mortgage loan originators were required to be licensed as mortgage loan originators pursuant to Section 6111(a) of the Mortgage Licensing Act. See Section 13 of H.B. 1654 (2009), 7 Pa. C.S. § 6111(a).

12. The Mortgage Licensing Act defines a mortgage loan originator as "an individual who takes a mortgage loan application or offers or negotiates terms of a mortgage loan for compensation or gain." 7 Pa. C.S. § 6102.

13. As of the date of the examination, none of the unlicensed individuals had obtained a mortgage originator license from the Department.

14. American Interbanc violated the Mortgage Licensing Act when it accepted mortgage loan applications signed by the unlicensed individuals.

Originator Employment

15. The exam revealed that American Interbanc employed a licensed mortgage originator who was also employed by another Bureau licensee, mortgage broker Landmark Lending Services.

16. The exam did not reveal that American Interbanc intentionally employed a licensed mortgage originator who was also employed by another Bureau licensee.

17. However, the Mortgage Licensing Act provides that American Interbanc, as the licensee "shall directly supervise, control and maintain responsibility for the acts and omissions of the mortgage originator." 7 Pa. C.S. § 6131(d)(1).

18. The Mortgage Licensing Act prohibits mortgage originators from being employed by anyone other than a "single licensed mortgage broker, mortgage lender or mortgage loan correspondent." 7 Pa. C.S. § 6131(f)(1).

19. American Interbanc violated the Mortgage Licensing Act when it employed an individual in the capacity of a mortgage originator while that individual was also employed by another mortgage broker as a mortgage originator.

Pennsylvania Consumer Disclosure Form

20. The Examination revealed that American Interbanc did not consistently provide applicants with a properly completed Pennsylvania Consumer Disclosure Form ("Disclosure Form"), in a timely manner and maintain the executed disclosure form in the applicant's loan file.

21. A violation of the Proper Conduct Regulation is a violation of the Mortgage Licensing Act. 10 Pa. Code § 46.3(a).

22. The Proper Conduct Regulation requires that American Interbanc, as a licensee, issue a disclosure form to applicants. 10 Pa. Code § 46.2(b).

23. In order for a disclosure form to be complete, the Proper Conduct Regulation requires that it contain the signature(s) of the borrower(s); the date the borrower(s) signed the disclosure; the licensee's name; and the date of issuance by the licensee. 10 Pa. Code § 46.2(c).

24. Once the disclosure form is issued to an applicant, the Proper Conduct Regulation requires that the licensee obtain the dated signature of the applicant within ten (10) business days of the issuance of the disclosure form and then maintain that signed original in the applicant's loan file. 10 Pa. Code § 46.2(e).

25. As part of the examination, the Bureau reviewed mortgage loan files originated by American Interbanc ("Loan Files").

26. Of the loan files reviewed, some did not contain a completed disclosure form, some did not contain a form at all and others did not reflect an issuance date as required by the Proper Conduct Regulation.

27. Because American Interbanc did not comply with the disclosure requirements of the Proper Conduct Regulation, it was in violation of the Mortgage Licensing Act.

Authority of the Department

28. Section 6138(a)(4) of the Mortgage Licensing Act grants the Department broad authority to issue orders as may be necessary for the proper conduct of the mortgage loan business and enforcement of the Mortgage Licensing Act. 7 Pa. C.S. § 6138(a)(4).

29. The Mortgage Licensing Act permits the Department to suspend, revoke or refuse to renew a license of a licensee where that licensee "failed to comply with or violated any provision of this chapter or any regulation or order promulgated or issued by the department under this chapter." 7 Pa. C.S. § 6139(a)(2).

30. The Mortgage Licensing Act permits the Department to suspend, revoke or refuse to renew a license of a licensee where that licensee is a mortgage broker and "...conducted the mortgage loan business through an unlicensed mortgage originator." 7 Pa. C.S. § 6139(a)(14).

31. 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

32. American Interbanc violated the Mortgage Licensing Act when it accepted mortgage loan applications signed by the unlicensed individuals.

33. American Interbanc violated the Mortgage Licensing Act when it employed an individual in the capacity of a mortgage originator while that individual was also employed by another mortgage broker as a mortgage originator.

34. American Interbanc violated the Mortgage Licensing Act when it did not comply with the disclosure requirements of the Proper Conduct Regulation.

RELIEF

35. Fine. American Interbanc agrees to pay a fine of four thousand seven hundred and fifty dollars (\$4,750) which shall be due and payable to the Department within thirty (30) days of

the Effective Date of this Order. The fine payment shall be remitted by certified check or money order made payable to the Pennsylvania Department of Banking and sent to the attention of: Pennsylvania Department of Banking, Bureau of Compliance and Licensing, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

36. Corrective Action. American Interbanc shall accept mortgage loan applications only from licensed individuals and shall adhere to the consumer disclosure requirements of the Proper Conduct Regulation.

FURTHER PROVISIONS

37. Consent. American Interbanc 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. American Interbanc, 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.

38. 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).

39. 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 American Interbanc.

40. Binding Nature. The Department, American Interbanc, and all officers, owners, directors, employees, heirs and assigns of American Interbanc intend to be and are legally bound by the terms of this Order.

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

42. Effectiveness. American Interbanc hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order (the "Effective Date").

43. 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 American Interbanc in the future regarding all matters not resolved by this Order.

b. American Interbanc 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.

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

34. Counterparts. This Order may be executed in separate counterparts, by facsimile and by PDF.

35. 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 American Interbanc Mortgage, LLC intending to be legally bound, do hereby execute this Consent Agreement and Order.

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

John K. Talalai
John K. Talalai, Administrator
Department of Banking
Bureau of Compliance and Licensing

Date: 12-16-2011

FOR AMERICAN INTERBANC MORTGAGE, LLC

[Signature]
(Officer Signature)

[Signature]
(Print Officer Name)

President
(Title)

Date: 12/15/11