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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING

PA DEPT OF BANKING

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

v.

AURORA FINANCIAL GROUP, INC.

Docket No.: 11 0126 (ENF-CO)

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"), Bureau of Examinations, has conducted an examination of Aurora Financial Group, Inc. ("Aurora Financial") and its officers, employees and directors. Based on the results of the examination, the Bureau of Compliance, Investigation and Licensing ("Bureau") concluded that Aurora 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 and agree 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. Aurora Financial is a mortgage lender that engages in the mortgage loan business in the Commonwealth. 7 Pa. C.S. § 6151.

4. Aurora's principal place of business is located at 9 Eves Drive, Suite 190, Marlton, New Jersey 08002.

5. Aurora Financial has a mortgage lender license issued by the Department, license number 26397 and Nationwide Mortgage Licensing System and Registry ("NMLS") identification number 7096.

6. As a mortgage lender, Aurora Financial must "[m]aintain supervision and control of and responsibility for the acts and omissions of all mortgage originators" that it employs. See 7 Pa. C.S. § 6121(13)(i); see also 7 Pa. C.S. § 6131(f)(1).

7. On or around December 6, 2010, the Department commenced an examination of Aurora Financial.

8. During the examination, the examiner reviewed a portion of mortgage loans originated by Aurora Financial between January 1, 2008 and November 30, 2010.

9. Of the mortgage loan files reviewed, the examiner found that Aurora Financial violated the Mortgage Licensing Act as set forth below.

## VIOLATIONS

### Unlicensed Mortgage Originators

10. First, the examiner found that Aurora Financial permitted four mortgage originators that were not licensed by the Department to originate residential mortgage loans involving the purchase of real property located in Pennsylvania.

11. 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. . . .” 7 Pa. C.S. § 6111(a).

12. By failing to ensure that the mortgage loan originators it employs to engage in the mortgage loan business in Pennsylvania are licensed by the Department, Aurora Financial violated Section 6111(a) of the Mortgage Licensing Act.

#### Unlicensed Branch Locations

13. Second, the examiner found that Aurora Financial, through its mortgage originators, originated 13 mortgage loans involving real property located in Pennsylvania from branch offices in Cherry Hill and Shrewsbury, New Jersey.

14. Aurora Financial had not obtained licenses for the branch offices.

15. Section 6131(f) of the Mortgage Licensing Act requires mortgage originators to “[b]e assigned to and work out of a licensed location of the employer.” 7 Pa. C.S. § 6131(f).

16. By permitting its mortgage originators to originate mortgage loans from unlicensed branch locations, Aurora Financial violated Section 6131(f) of the Mortgage Licensing Act.

17. Since the examination, Aurora Financial obtained licenses from the Department for the Cherry Hill and Shrewsbury branch offices.

#### Unique Identifier Missing from Applications

18. Third, the examiner found that mortgage loan applications originated by Aurora Financial did not always display the mortgage originator’s NMLS unique identifier number as required by the Mortgage Licensing Act.

19. Section 6121(14) of the Mortgage Licensing Act requires that “[a] licensee shall do all of the following . . . [i]n the case of a mortgage originator, clearly display the mortgage

originator's unique identifier on all mortgage loan application forms and personal solicitations or advertisements, including business cards." 7 Pa. C.S. § 6121(14).

20. By failing to require its mortgage originators to display their unique identifiers on the mortgage loan applications, Aurora Financial violated Section 6121(14) of the Mortgage Licensing Act.

21. Prior to the completion of the examination, Aurora Financial updated its software to ensure that its mortgage loan applications display the required information.

#### Authority of the Department

22. The Department has 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).

23. Further, "[a] person licensed under this chapter or director, officer, owner, partner, employee or agent of a licensee who violates a provision of this chapter ... may be fined by the department up to \$10,000 for each offense." 7 Pa. C.S. § 6140(b).

#### **RELIEF**

24. Fine. Aurora Financial shall pay a \$6,000 fine for violations of the Mortgage Licensing Act. The fine shall be due and payable within 30 days of the Effective Date of this Order as defined in Paragraph 31. The fine payments shall be remitted by a company check, 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.

25. Corrective Measures. Upon the Effective Date of this Order as defined in Paragraph 31, Aurora Financial shall:

- a. Cease and desist from accepting Pennsylvania mortgage loans from unlicensed mortgage loan originators; and
- b. Cease and desist from originating loans from unlicensed locations; and
- c. Clearly display the mortgage originators' NMLS Identification numbers on all mortgage loan forms, personal solicitations, advertisements including business cards.

#### FURTHER PROVISIONS

26. Consent. Aurora 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. Aurora 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.

27. 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).

28. 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 Aurora Financial.

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

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

31. Effectiveness. Aurora Financial hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order ("Effective Date").

32. 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 Aurora Financial in the future regarding all matters not resolved by this Order.
- b. Aurora 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.

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 Commonwealth of Pennsylvania, Department of Banking, Bureau of Compliance, Investigation and Licensing and Aurora Financial Group, Inc., 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 M. Walsh, Administrator  
Bureau of Compliance, Investigation and Licensing  
Department of Banking

Date: July 1, 2011

**FOR AURORA FINANCIAL GROUP, INC.**

\_\_\_\_\_  
(Officer's Signature)

\_\_\_\_\_  
(Print Officer's Name)

PRESIDENT  
\_\_\_\_\_  
(Title)

Date: 6-30-2011