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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

: Docket No. 11 0090 (ENF-CO)

v.

BOUNCE BACK FINANCIAL, LLC

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking (the "Department"), Bureau of Compliance, Investigation and Licensing ("Bureau") has conducted a review of Bounce Back Financial, LLC ("Bounce Back Financial") and its officers, employees and directors. Based on the results of its review, the Bureau believes that Bounce Back 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 (the "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. Bounce Back Financial's principal place of business is located at 1031 Chestnut St., Emmaus, PA 18049.

4. Bounce Back Financial also advertised a physical location of 7150 Hamilton Blvd., Suite 122, Trexlertown, PA 18087 on its website.

5. Bounce Back Financial was assigned the Nationwide Mortgage Licensing System and Registry ("NMLSR") identification number 314272, but has not initiated licensure with any state.

6. In or around May 2010, the Bureau became aware that Bounce Back Financial was engaging in mortgage loan modification activity in the Commonwealth of Pennsylvania.

Advertising

7. In May 2010 the Bureau received a complaint from a Pennsylvania consumer who had received a direct mail solicitation from Bounce Back Financial. See Attachment A.

8. The direct mail solicitation offered the Pennsylvania consumer the opportunity to have a representative of Bounce Bank Financial negotiate a mortgage loan modification on the consumer's behalf with the consumer's lender.

9. In addition, Bounce Back Financial maintained a website, www.bouncebackfinancial.com, through which it advertised mortgage loan modifications.

10. By offering mortgage loan modification services to at least one Pennsylvania consumer through the mail and through its website, and being physically located in Pennsylvania, Bounce Back Financial is actively engaged in and holding itself out as being engaged in the "mortgage loan business" as defined in the Mortgage Licensing Act.

Unlicensed Loan Origination

11. Bounce Back Financial originated at least four (4) mortgage loan modification applications without being licensed pursuant to the Mortgage Licensing Act.

12. Bounce Back Financial 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.

13. Bounce Back Financial is not licensed to engage in the mortgage loan business in Pennsylvania.

14. The employees of Bounce Back Financial that conduct the mortgage loan modification negotiations with third party lenders on behalf of consumers are not licensed as mortgage originators pursuant to the Mortgage Licensing Act and do not meet any exception to licensure. See 7 Pa. C.S. § 6102.

15. Bounce Back Financial has violated the Mortgage Licensing Act by engaging in the mortgage loan business in Pennsylvania without a license.

The Mortgage Licensing Act

16. 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. § 6151(1) (emphasis added).

17. 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.

18. Section 6102 of the Mortgage Licensing Act defines a "mortgage originator" as:

- (1) An individual [that] takes a mortgage loan application or offers or negotiates terms of a mortgage loan for compensation or gain.
- (2) The term does not include any of the following:
 - (i) An individual engaged solely as a loan processor or underwriter consistent with section 6112(8) (relating to exceptions to licensing requirements).
 - (ii) A person or entity solely involved in extensions of credit relating to timeshare plans. . . .
- (3) Except as set forth in paragraph (4), the term does not include an employee of a licensee or person exempt or excepted from licensure under this chapter who *solely renegotiates terms for existing mortgage loans held or serviced by that licensee or person* and who does not otherwise act as a mortgage originator.
- (4)

7 Pa. C.S. § 6102 (emphasis added).

19. Section 6102 of the Mortgage Licensing Act defines a "first mortgage loan" as a loan which is "(1) made primarily for personal, family or household use; and (2) secured by any first lien mortgage, deed of trust, or equivalent consensual security interest on a dwelling or on residential real estate." 7 Pa. C.S. § 6102.

20. Section 6102 of the Mortgage Licensing Act defines a "secondary mortgage loan" as "(1) made primarily for personal, family or household use; and (2) secured by any secondary lien mortgage, deed of trust, or equivalent consensual security interest on a dwelling or on residential real estate." 7 Pa. C.S. § 6102.

21. Section 6102 of the Mortgage Licensing Act defines a "mortgage loan" as "[a] first or secondary mortgage loan, or both, as the context may require." 7 Pa. C.S. § 6102.

22. 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).

Authority of the Department

23. 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).

24. Section 6140(a) of the Mortgage Licensing Act provides, in relevant part that “[a] person subject to the provisions of this chapter and not licensed by the department who violates any provision of this chapter or who commits any action which would subject a license to suspension, revocation or nonrenewal under section 6139 (relating to suspension, revocation or refusal) may be fined by the department up to \$10,000 for each offense.” 7 Pa. C.S. § 6140(a).

VIOLATION

25. Bounce Back Financial has violated the Mortgage Licensing Act by engaging in the mortgage loan business in Pennsylvania without a license.

RELIEF

26. Loan Origination. Upon the Effective Date of this Order, Bounce Back Financial and any and all officers, members, managers, employees, independent contractors or agents of Bounce Back Financial 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 Bounce Back Financial and all mortgage originators as defined by the Mortgage Licensing Act are licensed by the Department pursuant to the Mortgage Licensing Act.

FURTHER PROVISIONS

27. Consent. Bounce Back 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 therein. Bounce Back 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.

28. 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).

29. 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 Bounce Back Financial.

30. Binding Nature. The Department and Bounce Back Financial intend to be and are legally bound by the terms of this Order.

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

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

33. 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 Bounce Back Financial, in the future regarding all matters not resolved by this Order.

b. Bounce Back Financial acknowledges and agree 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.

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

35. Counterparts. This Order may be executed in separate counterparts and by facsimile or electronic mail in portable document format "PDF."

36. 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 Bounce Back 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**

John Talala, Enforcement Administrator
Bureau of Compliance, Investigation and Licensing
Department of Banking

Date: 5/6/2011

FOR BOUNCE BACK FINANCIAL, LLC

(Officer Signature)

(Print Officer Name)

President
(Title)

Date: 5-6-11

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PA DEPT OF BANKING

ATTACHMENT A

Mitigation Number: Redacted
Mortgage Relief Division/BBF

Redacted

This Is Not A Refinance

Redacted

Loan Modification Notice:
Original Amount Financed: \$172,800
New 30 Year Fixed Payment: \$639

Redacted

Redacted

Redacted

Please contact us today at 877-823-8932 regarding your existing mortgage.

How will the stimulus program affect your mortgage? President Barack Obama announced a plan saying it will help up to 9 million people keep their homes in a housing market ravaged by foreclosures. If you are feeling the pain from this economy and need relief for your mortgage payment, you are not alone. We are here to help.

Call 877-823-8932 Toll Free to find out what your payment reduction could potentially be. Unlike a traditional refinance there are no credit or equity restrictions for this program.

Due to changing market conditions this offer is good until April 25, 2010 and is subject to certain conditions.

This offer to negotiate your mortgage could save you tens of thousands of dollars.

Call today toll free for a FREE current program qualification evaluation at 1-877-823-8932
Refer to Mitigation Number: Redacted

1-877-823-8932

No Cost, No Obligation Legal Review. We are here to help.

Know your legal rights and options as set forth by the banks and Federal Government.

Professional legal representation will ensure your situation is handled with the respect and the confidence you deserve.

Information was obtained from public record sources. Rates and terms subject to change without notice. This product or service has not been approved or endorsed by any government agency and this offer is not being made by any agency of the government. We are not an affiliate of, nor endorsed by, nor associated with Eac Mig Inc. Do not delay, these situations require swift action to save your home and credit. The following mortgage payment example was based on a fully amortized 30 year fixed at 2% interest rate. Settlement Terms vary from case to case. This advertising material does not contain or constitute legal advice. No attorney-client relationship is established by virtue of this advertising.

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