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PA DEPT OF BANKING

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

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

Docket No. 11 0022 (ENF-CO)

v.

MOHSIN MORTGAGE CORPORATION

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"), Bureau of Examinations, conducted an examination of Mohsin Mortgage Corporation ("Mohsin Mortgage"), and its officers, employees and directors. Based on the results of the examination, the Bureau of Compliance, Investigation and Licensing ("Bureau") believes that Mohsin Mortgage 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. Mohsin Mortgage is currently licensed under the Mortgage Licensing Act as a mortgage broker with license 20491 and with the Nationwide Mortgage Licensing System Registry ("NMLSR") identification number of 8236.

4. On or around October 6, 2010, an examination of Mohsin Mortgage commenced at its then principal place of business at 3075 Washington Pike, #7, Bridgeville, Pennsylvania 15017-1417.

Unlicensed Mortgage Loan Originator

5. The examination revealed that Zafar Mohsin originated four (4) Pennsylvania residential mortgage applications for Mohsin Mortgage between October 5, 2009 and December 3, 2009, prior to obtaining a mortgage originator license under the Mortgage Licensing Act.

6. 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).

7. The Mortgage Licensing Act became effective on August 5, 2009 and it required that individuals not already licensed as mortgage originators file a mortgage originator license application with the Department within 60 days of the effective date of the Act if they intended to continue to engage in activity defined as mortgage origination. See Section 13 of H.B. 1654 (2009), 7 Pa. C.S. § 6111(a).

8. 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.

9. Zafar Mohsin did not submit a mortgage loan originator application to the Department until after October 5, 2009.

10. Zafar Mohsin, President and Owner of Mohsin Mortgage, first obtained a mortgage originator license, license number 29566, from the Department on December 3, 2009.

11. While unlicensed between October 5, 2009 and December 3, 2009, Zafar Mohsin originated (4) residential mortgage applications for Mohsin Mortgage.

12. Mohsin Mortgage is in violation of the Mortgage Licensing Act because it accepted four (4) mortgage loan applications from Zafar Mohsin while he was unlicensed.

13. Zafar Mohsin explained to the Department that the violation was unintentional and was due to confusion regarding the transitions in the licensing requirements.

Authority of the Department

14. 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).

15. Section 6139(a)(14) 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 “a mortgage broker, mortgage lender or mortgage loan correspondent, conducted *the mortgage loan business through an unlicensed mortgage originator.*” (*emphasis added*) 7 Pa. C.S. § 6139(a)(14).

16. 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

17. Mohsin Mortgage is in violation of Section 6139(a)(14) of the Mortgage Licensing Act by accepting mortgage loan applications from an unlicensed loan originator.

RELIEF

18. Fine. Mohsin Mortgage agrees to pay a fine of one thousand dollars (\$1,000) which shall be due and payable in two payments of \$500. The first payment is due within 30 days of the Effective Date of this Order and the second payment is due thirty days thereafter. The payment shall be remitted by a 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, Investigation and Licensing, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

19. Corrective Measures. Upon the Effective Date of the Order, Mohsin Mortgage shall immediately cease and desist from accepting mortgage loans originated by mortgage loan originators not licensed under the Mortgage Licensing Act.

FURTHER PROVISIONS

20. Consent. Mohsin Mortgage 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. Mohsin Mortgage, 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.

21. 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).

22. 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 Mohsin Mortgage.

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

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

25. Effectiveness. Mohsin Mortgage hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order (the "Effective Date").

26. 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 Mohsin Mortgage in the future regarding all matters not resolved by this Order.

b. Mohsin Mortgage 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.

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

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

29. 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 Mohsin Mortgage Corporation 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: February 7, 2011

FOR MOHSIN MORTGAGE CORPORATION

(Officer Signature)

(Print Officer Name)

(Title)

Date: 2/7/11