

3. PMF is currently licensed as a Mortgage Broker, license no. 21031 under the Mortgage Licensing Act with a Nationwide Mortgage Licensing System and Registry number of 1980.

4. PMF maintains six (6) licensed locations at the following addresses:

a) MB 21031 PMF, Inc. 13575 58th St N, Ste 187, Clearwater, FL 33760-3741

b) MB 21031.001 PMF, Inc. 5505 Main St East Petersburg, PA 17520

c) MB 21031.002 PMF, Inc. 257 W Market Street, York, PA 17401

d) MB 21031.003 PMF, Inc. 1720 Loucks Road, York, PA 17404

e) MB 21031.005 PMF, Inc. 3901 Washington Road, Suite 2, McMurray, PA 15317

f) MB 21031.006 PMF, Inc. 219 S 10TH Street, Lemoyne, PA 17043.

5. On or around July 21, 2010, the Bureau commenced an off-site examination of PMF.

6. The examiner reviewed eighty-four (84) of three hundred seventy six (376) brokered first mortgage loan files and twenty nine (29) of one hundred ninety-nine (199) withdrawn/denied first mortgage loan files.

ALLEGED VIOLATIONS

Misleading Advertising

7. On or about January 11, 2010, the Department received a Pennsylvania consumer complaint about an advertisement published by PMF in a local community paper.

8. The advertisement read: "Why Rent When You Can Own??? Credit Score Not An Issue! Call 717-845-3938."

9. Section 6123(3) of the MLA provides that "a licensee engaging in the mortgage loan business shall not...(3) Advertise, cause to be advertised or otherwise solicit whether orally,

in writing, by telecast, by broad broadcast or in any other manner any statement or representation which is false, misleading or deceptive.”

10. The Bureau alleges that PMF violated the MLA by advertising to Pennsylvania consumers that their credit score would not be taken into consideration when credit scores are taken into consideration by lenders when a decision is made to offer or deny a mortgage.

Unfair and Unethical Conduct

11. The examination revealed that of the eighty four (84) mortgage loan files reviewed, fifty-one (51) files contained IRS Form 4506T entitled Request for Transcript of Tax Return signed by the consumer with blank lines 6 and 9.

12. Instructions on the form 4506T provide that the form should not be signed by the consumer at the request of a third party when lines 6 and 9 are blank.

13. A licensee is prohibited from engaging in an unfair or unethical practice or conduct in connection with the loan business pursuant to 7 Pa. C.S. § 6139(3).

14. The Bureau alleges that PMF engaged in an unfair and unethical practice in violation of the Mortgage Licensing Act when it requested consumers sign IRS Form 4506T while lines 6 and 9 were blank.

Other Violations

15. The Bureau alleges that PMF’s advertisement, including business cards, did not contain language indicating that PMF is licensed by the Department; this is a violation of the Mortgage Licensing Act, 7 Pa.C.S. § 6135(a) (5).

16. The Bureau alleges that PMF’s mortgage loan application forms did not disclose the mortgage originators unique identifier as required in violation of the Mortgage Licensing Act, 7 Pa. C.S. § 6121(14).

17. The Bureau alleges that PMF failed to report its other business affiliates to the department as required by the duty to update all information contained on the application for a license in a violation of the Mortgage Licensing Act, 7 Pa. C.S. § 6131(b).

18. The Bureau alleges that PMF failed to comply with federal law by failing to provide customers with statements of denial of credit within thirty days in violation of Section 701(d)(1) of Title VII – the Equal Credit Opportunity Act (ECOA), thereby violating the Mortgage Licensing Act, 7 Pa. C.S. § 6121 (3).

19. The Bureau alleges that mortgage originators employed by PMF failed to sign mortgage loan application documents and disclosures with the name under which they are licensed in violation of the requirements of the Mortgage Licensing Act. 7 Pa. C.S. § 6136(a).

20. The Bureau alleges that PMF used names other than the name designated on its license on some mortgage loan application documents or disclosures in violation of the requirements of the Mortgage Licensing Act. 7 Pa. C.S. § 6136(a).

21. PMF 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).

22. The Bureau alleges that by failing to ensure that its licensed mortgage originators sign documents in the same name under which they hold a license is a failure to supervise and control those employees in violation of the Mortgage Licensing Act.

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 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 “[f]ailed to comply with or violated any provision of this chapter or any regulations or order promulgated or issued by the department under this chapter.” 7 Pa.C.S. § 6139(a) (2).

25. The Department may deny a license or otherwise restrict a license if it finds that an applicant has violated or failed to comply with any provisions of this chapter or any regulation, statement of policy or order of the department. 7 Pa. C.S. § 6133 (e) (3).

26. 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.” 7 Pa. C.S. § 6139 (a) (14).

27. 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).

RELIEF

28. Fine. PMF agrees to pay a fine of five thousand seven hundred and fifty dollars (\$5,750.00) which shall be due and payable to the Department in three installments. The first installment of \$2,000 is due and payable within thirty (30) days of the effective date of this Order as defined in paragraph 35 below, the second installment in the amount of \$1875.00 shall be due and payable within sixty (60) days of the effective date of this Order and the third installment in the amount of \$1,876.00 shall be due and payable within ninety (90) days of the effective date of

this Order. Payment 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.

29. Corrective Measures. Upon the effective date of this Order, PMF shall:
- a) provide, within sixty (60) days of the effective date of this Order, an internal control plan with policies and procedures to actively detect, review, mitigate and eliminate the dissemination of blank and incomplete consumer documents;
 - b) cease and desist from advertising in any false deceptive or misleading manner;
 - c) cease and desist from engaging in unfair and unethical conduct by requesting consumers complete forms containing blanks where information is required, including, but not limited to, form 4506T when lines 6 and 9 are left blank;
 - d) cease and desist from failing to report affiliate relationships on license applications, or making other material misstatements on applications, and failing in the duty to update information on a license application within ten days as required by the Mortgage Licensing Act;
 - e) cease and desist from violating the Equal Credit Opportunity Act by failing to provide statements of denial of credit to consumers within thirty days;
 - f) cease and desist from failing to state that PMF is licensed by the Department of Banking on business cards and all other forms of advertising;

g) cease and desist from failing to include licensed originator's unique identification numbers on business cards, other forms of advertising, and on the 1003 application form;

h) cease and desist from transacting business under any other name or names except as designated on its mortgage broker license; and

i) cease and desist from failing to properly supervise mortgage originators by requiring them to sign all mortgage related loan applications, documents and disclosures with the same name as set forth on their licenses.

FURTHER PROVISIONS

30. Consent. PMF Inc., d/b/a Paramount Mortgage Funding, Inc., 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. PMF Inc., d/b/a Paramount Mortgage Funding, Inc., 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.

31. 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)

32. Entire Agreement. This Order contains the whole agreement between the parties. There is 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 PMF Inc., d/b/a Paramount Mortgage Funding, Inc.

33. Binding Nature. The Department, PMF Inc., d/b/a Paramount Mortgage Funding Inc., and all officers, owners, directors, employees, heirs and assigns of PMF Inc., d/b/a Paramount Mortgage Funding, Inc. intend to be and are legally bound by the terms of this Order.

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

35. Effectiveness. PMF Inc., d/b/a Paramount Mortgage Funding, Inc. hereby stipulates and agrees that the Order shall become effective on the date the Bureau executes the Order.

36. 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 PMF Inc., d/b/a Paramount Mortgage Funding, Inc., in the future regarding all matters not resolved by this Order.

b) PMF Inc. d/b/a Paramount Mortgage Funding, Inc. 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.

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

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

39. 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 PMF Inc., d/b/a Paramount Mortgage Funding, 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

Lucy Cortez, Enforcement Administrator
Bureau of Compliance, Investigation and Licensing
Department of Banking

Date: 2/2/11

PMF INC., d/b/a PARAMOUNT MORTGAGE FUNDING, INC.

(Officer Signature)

(Print Officer Name)

President
(Title)

Date: 2/9/11
MCC