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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

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PA DEPT. OF BANKING

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

Docket No. 12 0012 (ENF-CO)

v.

GENWORTH FINANCIAL HOME EQUITY
ACCESS, INC.

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking (the "Department"), Bureau of Examinations has conducted an examination of Genworth Financial Home Equity Access, Inc. ("Genworth Financial Home Equity") and its officers, employees and directors. Based on the results of the examination, the Bureau of Compliance and Licensing (the "Bureau") believes that Genworth Financial Home Equity operated in violation of the Mortgage Licensing Act, 7 Pa. C.S. § 6101 *et seq.* Genworth Financial Home Equity, without admitting wrongdoing, and to avoid litigation of the above-captioned matter and, intending to be legally bound, hereby agrees with the Bureau 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. Genworth Financial Home Equity was assigned the Nationwide Mortgage Licensing System and Registry ("NMLSR") identification number 3313.

4. Genworth Financial Home Equity was granted a Mortgage Lender license, license number 20801.

5. Genworth Financial Home Equity's principal place of business is located at 10951 White Rock Road, Suite 200, Rancho Cordova, California 95670.

6. Genworth Financial Home Equity maintains a licensed branch location at 1055 Westlakes Drive, Suite 300, Berwyn, Pennsylvania 19312.

7. On May 16, 2011, the Bureau of Examinations commenced an examination of Genworth Financial Home Equity the results of which form the basis of the Bureau's position.

Unlicensed Activity

8. Based on the examination, the Bureau concluded that eighteen (18) reverse mortgage loan applications were originated at unlicensed branch locations.

9. Section 6131(f)(2) of the Mortgage Licensing Act states that "[a] mortgage originator shall ...[b]e assigned to and work out of a licensed location of the employer licensee or of a location of an employer person excepted from this chapter..." 7 Pa. C.S. § 6131(f)(2).

10. By originating mortgages at unlicensed branch locations, the Bureau concluded that Genworth Financial Home Equity violated section 6131(f)(2) of the Mortgage Licensing Act.

11. Genworth denies violating section 6131(f)(2) of the Mortgage Licensing Act because all its loan originators were assigned to a licensed location, which location may or may not have contained sufficient space to physically accommodate all loan originators at the same time.

Unique Identifier

12. Based on the examination, the Bureau concluded that Genworth Financial Home Equity originated four (4) mortgage loan applications that did not display the mortgage originator's NMLSR unique identifier number.

13. Section 6121(14) of the Mortgage Licensing Act requires that "A licensee shall. . . [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).

14. By failing to display the mortgage originator's unique identifier on all mortgage loan application forms, the Bureau believes Genworth Financial Home Equity violated section 6121(14) of the Mortgage Licensing Act.

15. Genworth Financial Home Equity does not admit any wrongdoing.

Authority of the Department

16. 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).

17. 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

18. Fine. Within 30 days of the effective date of this Order as defined in paragraph 23 below, Genworth Financial Home Equity, without admitting wrongdoing and to avoid litigation of this matter, shall pay the Department a fine in the amount of \$4,500. Payments shall be remitted by certified check or money order made payable to the Department of Banking. The fine payment shall be sent to the attention of: Non-Depository Institutions, Bureau of Compliance and Licensing, Department of Banking, 17 North Second Street, Suite 1300, Harrisburg, PA 17101.

19. Corrective Action. Upon the effective date of this Order, Genworth agrees to require all loan originators to work out of a licensed branch location by having a physical presence in the branch on a routine basis and by performing all office work at the branch. Going forward, Genworth Financial Home Equity shall cease and desist from violating the Mortgage Licensing Act and related regulations by ensuring that all mortgage originators work from a licensed branch locations and that all mortgage applications display the mortgage originator's NMLSR unique identifier.

FURTHER PROVISIONS

20. Consent. Genworth Financial Home Equity 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. Genworth Financial Home Equity, 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. This Order represents the final resolution of the Department's

examination of Genworth Financial Home Equity and evidences the Department's agreement that no other fines, remedies, proceedings or actions shall be commenced, asserted or directed against Genworth Financial Home Equity as a result of the examination.

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 Genworth Financial Home Equity.

23. Binding Nature. The Department and Genworth Financial Home Equity 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. Genworth Financial Home Equity hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order.

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 Genworth Financial Home Equity, in the future regarding all matters not resolved by this Order.

b. Genworth Financial Home Equity 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 and by facsimile or electronic mail in portable document format "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, Genworth Financial Home Equity 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 Talalai~~ Enforcement Administrator
Bureau of Compliance and Licensing
Department of Banking

Date: 1-26-2012

FOR GENWORTH FINANCIAL HOME EQUITY ACCESS, INC.

(Officer Signature)

(Print Officer Name)

PRESIDENT
(Title)

Date: 1/26/12