

3. Homeowners Counseling's principal place of business is located at 332 B Bustleton Pike, Feasterville, Pennsylvania 19053.

4. Homeowners Counseling maintains a website with the web address of www.homeownerscounseling.com ("Website").

5. On its website, Homeowners Counseling refers to the name of the business as *Homeowners Counseling Services*.

6. Although the website provides the information under the name of Homeowners Counseling Services, Homeowners Counseling LLC is the correct name of this entity.

7. The Bureau became aware that Homeowners Counseling engaged in unlicensed mortgage loan business activities by offering mortgage loan modification services to consumers.

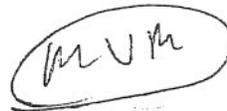
Unlicensed Loan Modification Activity

8. During a conversation with a Homeowners Counseling representative, it was revealed that Homeowners Counseling was in the process of originating mortgage loan modifications for Pennsylvania consumers while the company was not licensed to originate loans within the Commonwealth.

9. By originating mortgage loan modifications for Pennsylvania consumers, Homeowners Counseling was actively engaging in and holding itself out as being engaged in the "mortgage loan business" as defined in the Mortgage Licensing Act. 7 Pa. C.S. § 6151(1)(i).

10. The Mortgage Licensing Act prohibits persons from engaging in the mortgage loan business in Pennsylvania without holding a mortgage broker, mortgage lender, mortgage loan correspondent or mortgage originator license. See 7 Pa. C.S. § 6111(a).

11. Neither Homeowners Counseling nor any of its employees hold a license issued by the Pennsylvania Department of Banking.



12. Homeowners Counseling does not meet any of the exceptions to licensure in Section 6111(b) and 6112 of the Mortgage Licensing Act. 7 Pa. C.S. §§ 6111(b), 6112.

13. Homeowners Counseling told the Bureau that it does wish to obtain a license under the Mortgage Licensing Act in order to engage in the mortgage loan modification business in Pennsylvania.

14. Homeowners Counseling has registered as a Pennsylvania Business Corporation with the Department of State under the name "Homeowners Counseling LLC."

15. In addition, Homeowners Counseling is now registered with the Nationwide Mortgage Licensing System Registry ("NMLS") under the unique identifier of 851565.

16. After speaking with the Department, Homeowners Counseling voluntarily ceased obtaining new clients for loan modifications.

17. Homeowners Counseling agreed that it will not obtain new clients for loan modifications until such time as it becomes licensed.

18. If Homeowners Counseling does not obtain a license from the Department, then Homeowners Counseling must move all of its operations to a location physically outside of Pennsylvania and not accept Pennsylvania consumers as customers or else it will remain in violation of the Mortgage Licensing Act.

Affiliated Counsel

19. Prior to contact with the Bureau, Homeowners Counseling and a local attorney, himself not licensed by the Department, worked together to obtain clients for loan modifications.

20. Homeowners Counseling agrees that it will maintain its own principal place of business and not share its principal place or records with any attorney who is not an employee of

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Homeowners Counseling *and* licensed by the Department of Banking to engage in the mortgage loan business.

21. Homeowners Counseling agrees that it will not enter into any client sharing agreement with any attorney if that attorney is not also licensed by the Department of Banking to engage in the mortgage loan business.

Authority of the Department

22. 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).

23. Section 6139(a)(2) of the Mortgage Licensing Act states that the department may suspend, revoke or refuse to renew a license where a licensee has “failed to comply with or violated any provision of this chapter or any regulation or order promulgated or issued by the department under this chapter.” 7 Pa. C.S. § 6139(a)(2).

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).

RELIEF

25. Fine. Homeowners Counseling agreed to pay a fine of one thousand dollars (\$1,000). Homeowners Counseling has paid the fine in full.

26. Consumers. Homeowners Counseling shall provide the Bureau with a report of those consumers it currently has in the pipeline for loan modifications (“Pipeline Report”). For

those consumers in the Pipeline Report, if a modification *is achieved*, Homeowners Counseling shall not owe a refund to those consumers. If a modification *is not achieved*, Homeowners Counseling shall owe a full refund to those consumers.

27. Updates. Homeowners Counseling shall provide monthly updates of the Pipeline Report to the Bureau via Donald Piesik at the email address of dpiesik@pa.gov. These monthly updates shall include information regarding (a) all open accounts related to consumers, and (b) all refunds to consumers where a mortgage loan modification has not yet been achieved.

28. Monthly Updates. The monthly updates shall continue either (a) until such time as Homeowners Counseling no longer has any open accounts and all refunds have been made where appropriate or (b) until such time that Homeowners Counseling obtains a license from the Bureau.

29. Corrective Action to Obtain a License. Upon the Effective Date of the Order, Homeowners Counseling shall ensure that Homeowners Counseling LLC, as an entity, obtains a license as a broker in accordance with the Mortgage Licensing Act. In addition, Homeowners Counseling LLC will need to employ at least one licensed mortgage originator.

30. Failure to Obtain a License. Upon the Effective Date of this Order, if Homeowners Counseling does not obtain a license from the Bureau, it shall (a) no longer advertise its services to consumers or accept mortgage loan modification applications from consumers until such time as it obtains a license from the Pennsylvania Department of Banking and (b) if Homeowners Counseling wishes to continue to engage in the loan modification business it must close any operations in Pennsylvania in addition to no longer accepting Pennsylvania consumers as customers.

FURTHER PROVISIONS

31. Consent. Homeowners Counseling 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. Homeowners Counseling, 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.

32. 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).

33. 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 Homeowners Counseling.

34. Binding Nature. The Department, Homeowners Counseling, and all officer, owners, directors, employees, heirs and assigns of Homeowners Counseling intend to be and are legally bound by the terms of this Order.

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

36. Effectiveness. Homeowners Counseling hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order (the "Effective Date").

37. 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 Homeowners Counseling, in the future regarding all matters not resolved by this Order.
- b. Homeowners Counseling 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.



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

39. Counterparts. This Order may be executed in separate counterparts and by facsimile or by PDF.

40. 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 Homeowners Counseling LLC intending to be legally bound, do hereby execute this Consent Agreement and Order.

FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING, BUREAU OF

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COMPLIANCE AND LICENSING

~~John Talalai~~, Enforcement Administrator
Bureau of Compliance and Licensing
Department of Banking

Date: 1-25-2012

FOR HOMEOWNERS COUNSELING LLC

~~_____~~
(Officer Signature)

~~_____~~
(Print Officer Name)

OWNER
(Title)

Date: 1/24/2012