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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING

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| COMMONWEALTH OF PENNSYLVANIA | : | PA DEPT OF BANKING       |
| DEPARTMENT OF BANKING        | : |                          |
| BUREAU OF COMPLIANCE,        | : |                          |
| INVESTIGATION AND LICENSING  | : |                          |
|                              | : | DOCKET NO. 080021 (ENF-) |
|                              | : | (CO)                     |
| v.                           | : |                          |
|                              | : |                          |
| TBI MORTGAGE COMPANY         | : |                          |
| Respondent                   | : |                          |

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"), Bureau of Compliance, Investigation and Licensing ("Bureau"), has conducted an examination and investigation into the business practices of Respondent TBI Mortgage Company ("TBI"). Based on the results of its examination and investigation, the Bureau believes that the Respondent operated in violation of the Mortgage Bankers and Brokers and Consumer Equity Protection Act ("MBBCEPA"), 63 P.S. § 453.101, and the Secondary Mortgage Loan Act ("SMLA"), 7 P.S. § 6601. TBI denies the asserted violations, but seeks to resolve this matter amicably without contesting any further. The parties to the above-captioned matter, in lieu of litigation, and intending to be legally bound, hereby stipulate to the following information and agree to the terms of this Consent Agreement and Order ("Order").

BACKGROUND

1. The Department is the Pennsylvania state governmental administrative agency authorized and empowered to administer and enforce the MBBCEPA and administer and enforce the SMLA.

2. The Bureau is primarily responsible for conducting investigations and administering and enforcing the MBBCEPA and the SMLA

3. TBI's principal place of business in Pennsylvania is 250 Gibraltar Road, Horsham, Pennsylvania 19044.

4. Prior to adopting the name "TBI Mortgage Company" on April 4, 2005, TBI operated under the name "Westminster Mortgage Corporation" ("Westminster").

5. Westminster's principal place of business in Pennsylvania was 4800 E. Street Road, Trevoise, PA, 19053-6646.

6. Westminster was licensed by the Department in June 1990 as a first mortgage banker, license number 1028.

7. Westminster was licensed by the Department on November 1, 1999 as a second mortgage broker, license number 1888.

8. Westminster maintains that it submitted applications for a first mortgage banker and second mortgage broker license renewal, together with the appropriate and applicable renewal fees, on or about April 29, 2005.

9. Westminster changed its name to "TBI Mortgage Company" on April 4, 2005.

10. On or prior to June 1, 2005, the newly named TBI moved to 250 Gibraltar Road, Horsham, Pennsylvania.

11. On June 30, 2005, both Westminster/TBI's first mortgage banker license and the second mortgage lender license were cancelled because no renewal application or renewal fee was received by the Department.

12. TBI notified the Department of its change of address and the name change on July 18, 2005.

13. TBI of its own volition when it discovered that it was no longer licensed informed the Department in October 2006 that its licenses were not current.

14. After filing applications for new licenses, TBI was granted a first mortgage banker, license number 17294 and second mortgage broker, license number 17295, on December 20, 2006.

15. From July 1, 2005 through December 20, 2006 ("the unlicensed period") TBI served as a mortgage banker or broker on 1,358 first mortgage loans and 225 second mortgage.

16. It is TBI's position that to the extent loans transacted during the unlicensed period were related to the sale of homes constructed by an affiliate real estate development company of TBI, TBI would have been exempt from licensing requirements. It is further TBI's position that the subsequent act of obtaining a license or licenses does not waive any exemption it may have.

17. It is the Bureau's position that TBI was required to have a license for any and all mortgage transactions that were negotiated, offered, made or executed, in whole

or in part, at the Horsham, Pennsylvania address, or which was secured by real property within the Commonwealth in accordance with section 318 of the MBBCEPA.

18. The Bureau contends that during the unlicensed period, TBI's website, located at [www.tbimortgage.com](http://www.tbimortgage.com), incorrectly claimed that it was licensed by the Pennsylvania Department of Banking. It is TBI's position that it did not intentionally allow its licenses to lapse.

19. Section 310 of the MBBCEPA grants the Department broad authority to issue notices of fines. 63 P.S. § 456.310.

20. Section 22 of the SMLA provides authority for the Department to fine lenders that violate the SMLA. 7 P.S. § 6622.

21. Section 303(a) of the MBBCEPA states, in pertinent part, "[o]n and after the effective date of this act, no person shall act as a mortgage banker, loan correspondent, mortgage broker or limited mortgage broker in this Commonwealth without a license as provided for in this chapter...." 63 P.S. § 456.303(a).

22. Section 14(b) of the MBBCEPA provides in relevant part that "[a]ny person who is subject to the provisions of this chapter, even though not licensed hereunder, or any person who is not licensed by the department or is not exempt from the licensing requirements, who violates any of the provisions to which it is subject shall be subject to a fine levied by the department or commission of up to \$2,000 for each offense." 63 P.S. § 456.14(b).

23. Section 308(a)(10) of the MBBCEPA requires a licensee to "[i]nclude in all advertisements language indicating that the licensee is licensed by the department." 63 P.S. § 456.308(a)(10).

24. Section 309 requires a licensee that changes its name or place or places of business to immediately notify the department. 63 P.S. § 456.309.

25. The Department alleges that TBI violated the aforementioned provisions of the MBBCEPA, and the SMLA, and other statutes, rules and regulations of the Department, and other federal and state laws and regulations by originating loans from unlicensed locations, by false or improper advertising on websites, by failing to timely provide a change of address and change of name.

26. TBI denies the violations, but consents to this agreement without admission of wrongdoing, as a compromise of disputed claims.

#### **RELIEF**

27. Fine. Within thirty (30) days of the Effective Date of this Order, TBI shall pay to the Department a fine in the amounts of \$50,000.

28. Cease and Desist. TBI will cease and desist from originating loans from unlicensed locations, will adhere to underwriting guidelines and will commit additional resources to ensure compliance with applicable law.

#### **FURTHER PROVISIONS**

29. Consent. TBI hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Department's order authority and agrees that it understands all of the term and conditions contained herein. TBI, by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions or penalties set forth in this Order and the Department agrees that it

shall deem this matter concluded and shall not use this Agreement and/or the allegations herein as a basis for further punishment against TBI or any of its officers, directors, assigns and representatives.

30. Consumer's Rights. This Order shall not limit or impair a consumer's rights under any contract or any provision of law.

31. Publication and Release. TBI understands that the Department intends to publish this Order on the Department website and that the Department will exercise its discretion pursuant to Section 404.C of the Department of Banking Code, 71 P.S. § 733-404 C.

32. Entire Agreement. This Consent Agreement and 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.

33. Binding Nature. The Department, TBI, and all officers, owners, directors, employees, heirs and assigns of TBI intend to be and are legally bound by the terms of this Consent Agreement and Order.

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

35. Effectiveness. TBI hereby agrees that the Order shall become effective on the date that the Bureau executes this Order (the "Effective Date").

36. Other Enforcement Action.

a. The Department reserves all of its rights, duties, and authority to enforce the MBBCEPA and the SMLA against TBI in the future regarding all matters not

resolved by this Order, including the Department's right to enforce the MBBCEPA and SMLA against TBI regarding any mortgage loans originated by TBI to any customer physically located outside of Pennsylvania and securing any such mortgage loan with real property serving as collateral that is located outside of Pennsylvania.

b. TBI reserves all of its rights to contest the Department's enforcement of the MBBCEPA and SMLA to the extent that TBI deems such enforcement to be improper or inconsistent with law.

c. TBI acknowledges and agrees that this Consent Agreement and Order is only binding upon the Department and not any other local, state or federal agency, department or office.

d. The terms of this Order may be enforced, if necessary, by either of the parties in accordance with Pennsylvania law. A party against which this Agreement is enforced by legal process has the full right to contest and defend against such enforcement if that party truly believes that the sought enforcement is inconsistent with the terms of this Agreement.

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

38. Counterparts. This Consent Agreement and Order may be executed in separate counterparts.

WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Department and TBI, intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING**

\_\_\_\_\_  
Brian Crossland  
Chief of Compliance  
Bureau of Compliance,  
Investigation and Licensing  
Department of Banking

Date: 7/11/08

\_\_\_\_\_  
John Tatalai  
Administrator  
Bureau of Compliance,  
Investigation and Licensing  
Department of Banking

Date: 7/11/2008

**FOR TBI MORTGAGE COMPANY**

\_\_\_\_\_  
President

Date: 7-8-08

\_\_\_\_\_  
Compliance Officer

Date: 7/8/2008