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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

PA DEPT OF BANKING

COMMONWEALTH OF PENNSYLVANIA	:	Docket No. 08	<u>0217</u>	(ENF-CO)
DEPARTMENT OF BANKING, BUREAU OF	:			
COMPLIANCE, INVESTIGATION AND	:			
LICENSING	:			
	:			
v.	:			
	:			
TRIDENT MORTGAGE COMPANY LP,	:			
	:			
TRIDENT MORTGAGE BROKERAGE	:			
COMPANY, and	:			
	:			
TRIDENT SECOND MORTGAGE	:			
COMPANY, 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 Trident Mortgage Company LP, Trident Mortgage Brokerage Company, and Trident Second Mortgage Company, Inc. (collectively "Trident Mortgage"). Based on the results of the examination, the Bureau of Compliance, Investigation and Licensing (the "Bureau") believes that Trident Mortgage is in violation of the Mortgage Bankers and Brokers & Consumer Equity Protection Act (the "MBBCEPA"), 63 P.S. § 456.101 *et. seq.*, and the Secondary Mortgage Loan Act (the "SMLA"), 7 P.S. § 6601 *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 (the "Order").

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the MBBCEPA and the SMLA.

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

3. Trident Mortgage Brokerage Company is licensed as a First Mortgage Broker, license no. 3757 and as a Secondary Mortgage Broker, license no. 1381.

4. Trident Mortgage Company LP is licensed as a First Mortgage Banker, license no. 1460.

5. Trident Second Mortgage Company, Inc. is licensed as a Secondary Mortgage Lender, license no. 0349.

6. Trident Mortgage has its principal place of business in Pennsylvania located at 431 W. Lancaster Ave, Devon, PA 19333-1509 (the "Principal Place") and maintains a licensed branch in Cherry Hill, New Jersey (the "Cherry Hill Branch") as well as various other locations in New Jersey and Delaware.

7. On September 25, 2007, an examiner from the Department initiated an examination of Trident Mortgage at the Principal Place (the "Examination").

8. At all times relevant to this Order the only licensed locations for Trident Mortgage were the Principal Place and the Cherry Hill Branch.

Unlicensed Locations

9. The Examination revealed that Trident Mortgage originated fifty-two (52) first mortgage loans and twelve (12) secondary mortgage loans, involving property located in

Pennsylvania, from twelve (12) separate unlicensed locations in New Jersey and Delaware (the “Unlicensed Locations”).

10. Specifically, Trident Mortgage provided the examiner with a spreadsheet listing all of the locations from which first and secondary mortgage loans were originated including the Unlicensed Locations.

11. The MBBCEPA applies to, *inter alia*, “[a]ny mortgage loan which is . . . notwithstanding the place of execution, *secured by real property located in this Commonwealth.*” 63 P.S. § 456.318(1)(iii) (emphasis added).

12. Section 302 of the MBBCEPA defines a “branch” as “[a]n office or other place of business located in this Commonwealth *or any other state*, other than the principal place of business, where a person engages in the first mortgage loan business which falls under the scope of this chapter.” 63 P.S. § 456.302 (emphasis added).

13. Section 304(a) of the MBBCEPA, provides, in relevant part, that “[e]ach application shall include the address *or addresses* where business is to be conducted . . .” 63 P.S. § 456.304(a) (emphasis added).

14. Section 305(a) of the MBBCEPA provides, in relevant part, that “[a] mortgage banker, mortgage broker or applicant shall pay to the department at the time an application is filed an initial license fee for the principal place of business and *an additional license fee for each branch office . . .*” 63 P.S. § 456.305(a) (emphasis added). Additionally, Section 305(a) of the MBBCEPA provides, in relevant part, that “. . . a licensee shall pay a license renewal fee for the principal place of business and an additional license renewal fee *for each branch office . . .*” 63 P.S. § 456.305(a) (emphasis added).

15. Thus, based upon the foregoing, any office of a licensee where first mortgage loan business is conducted under the MBBCEPA must be licensed as a branch under Sections 304(a) and 305(a) of the MBBCEPA.

16. Section 4(a)(5) of the SMLA, 7 P.S. § 6604(a)(5), requires an application to contain “[t]he address or addresses where the secondary mortgage loan business is to be conducted.”

17. Thus, any of a licensee’s branch offices where business under the SMLA is conducted must be licensed as branch offices under the SMLA.

Authority of the Department

18. Section 310(a) of the MBBCEPA grants the Department broad authority to issue orders for the enforcement of the MBBCEPA. 63 P.S. § 456.310(a).

19. Section 314(c) of the MBBCEPA provides, in relevant part, that “[a]ny person licensed under the provisions of this chapter or any director, officer, employee or agent of a licensee who shall violate the provisions of this chapter or shall direct or consent to such violations shall be subject to a fine levied by the department of up to \$2,000 for each offense.” 63 P.S. § 456.314(c).

20. Section 16(1) of the SMLA grants the Department with broad authority to issue orders as may be necessary for enforcement of the SMLA. 7 P.S. § 6616(1).

21. Section 22(b) of the SMLA provides, in relevant part, that “a corporation licensed under the provisions of this act or any director, officer, employee or agent who shall violate any provision of this act or shall direct or consent to such violations, shall be subject to a fine of \$2,000 for the first offense, and for each subsequent offense a like fine and/or suspension of license.” 7 P.S. § 6622(b).

VIOLATIONS

22. Trident Mortgage violated the MBBCEPA and the SMLA by originating Pennsylvania first and secondary mortgage loans from unlicensed locations in New Jersey and Delaware.

RELIEF

23. Fine. Within thirty (30) days of the Effective Date of this Order, Trident Mortgage shall pay a fine in the amount of \$15,000. The fine shall be remitted by a certified check or money order made payable to the Department of Banking and directed to the attention of Non-Depository Institutions, Bureau of Compliance, Investigation and Licensing located at 17 North Second Street, Suite 1300, Harrisburg, PA 17101.

24. Corrective Measures. Trident Mortgage shall cease and desist from originating first and secondary mortgage loans from unlicensed branch locations in violation of the MBBCEPA and the SMLA.

FURTHER PROVISIONS

25. Consent. Trident Mortgage hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's order authority under the MBBCEPA and the SMLA and agrees that it understands all of the terms and conditions contained herein. Trident 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.

26. Publication and Release. Trident Mortgage consents to the publication and release of this Order.

27. 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 Trident Mortgage.

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

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

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

31. 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 Trident Mortgage in the future regarding all matters not resolved by this Order.

b. Trident 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.

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

33. Counterparts. This Order may be executed in separate counterparts and by facsimile.

34. 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 Bureau and Trident Mortgage 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 Walsh, Administrator
Bureau of Compliance, Investigation and Licensing
Department of Banking

Date: August 20, 2008

FOR TRIDENT MORTGAGE COMPANY LP

FOR TRIDENT SECOND MORTGAGE COMPANY, INC.

(Officer Signature)

(Officer Signature)

(Print Officer Name)

(Print Officer Name)

PRESIDENT

PRESIDENT

(Title)

(Title)

Date: 8/19/08

Date: 8/19/08

FOR TRIDENT MORTGAGE BROKERAGE COMPANY

(Officer Signature)

(Print Officer Name)

PRESIDENT

(Title)

Date: 8/19/08