

FILED

2008 AUG -7 PM 1:24

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

PA DEPT OF BANKING

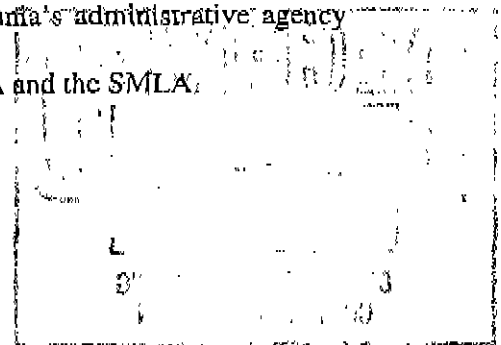
COMMONWEALTH OF PENNSYLVANIA	:	Docket No.: 080201 (ENF-CO)
DEPARTMENT OF BANKING, BUREAU	:	
OF COMPLIANCE, INVESTIGATIONS AND	:	
LICENSING	:	
	:	
v.	:	
	:	
US MORTGAGE CORPORATION d/b/a	:	
MORTGAGE CONCEPTS FUNDING INC.	:	

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"), Bureau of Compliance, Investigation and Licensing ("Bureau") conducted an investigation of US Mortgage Corporation d/b/a Mortgage Concepts Funding Inc. ("Mortgage Concepts"), and its officers, employees and directors. Based on the results of the investigation, the Bureau believes that Mortgage Concepts operated in violation of the Mortgage Bankers and Brokers & Consumer Equity Protection Act ("MBBCEPA"), 63 P.S. § 456.101 et seq., and the Secondary Mortgage Loan Act ("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 ("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. Mortgage Concepts is licensed as a First Mortgage Banker, license no. 18212, and as a Secondary Mortgage Lender, license no. 18213, with its principal place of business in Pennsylvania currently located at 243 Main St, Ste 301, Dickson City, PA 18519-1694 ("Principal Place") and a licensed branch location in Bohemia, NY at Mortgage Concepts corporate headquarters ("Corporate Headquarters").

Records and Staffing

4. In January, 2008, the Department received information that the Principal Place of Mortgage Concepts was not being staffed.

5. Mortgage Concepts confirmed, through correspondence to the Department that the Principal Place, was, in fact, not being staffed by any employees of the licensee.

6. Not maintaining an employee at the Principal Place prohibits the Department from having access to the records of the licensee.

7. Section 302 of the MBBCEPA defines a principal place of business as "[t]he primary office of the licensee located in this Commonwealth which is staffed on a full-time basis and at which books, records, accounts and documents are to be maintained," 63 P.S. § 456.302.

8. Section 308(a)(4) of the MBBCEPA provides, in relevant part, that a licensee shall "[b]e subject to examination by the department or commission at the discretion of the department or commission at which time the department or commission shall have free access, during regular business hours, to the licensee's place or places of business in this Commonwealth. . ." 63 P.S. § 456.308(a)(4).

9. Section 10(a)(4) of the SMLA provides, in relevant part, that a licensee shall "[b]e subject to an examination by the secretary at least at least once every two calendar years, at which time the secretary shall have free access, during regular business hours, to the licensee's places or places of business in this Commonwealth. . ." 7 § 6610(a)(4).

Alternate Site Records Violation

10. The Department has become aware that all records of Pennsylvania mortgage activity were being stored at Mortgage Concepts' Corporate Headquarters without authorization by the Department to maintain records there.

11. Section 308(a)(2) of the MBBCEPA requires a licensee to maintain records at its principal place of business in Pennsylvania unless the licensee has authorization from the Department to maintain those records elsewhere. 63 P.S. § 456.308(a)(2).

12. Section 10(a)(2) of the SMLA requires a licensee to maintain records at its principal place of business in Pennsylvania unless the licensee has authorization from the Department to maintain those records elsewhere. 7 P.S. § 6610(a)(2).

Authority of the Department

13. Section 310(a) of the MBBCEPA grants the Department the authority to issue orders as may be necessary for the enforcement of the MBBCEPA. 63 P.S. § 456.310(a).

14. Section 16(1) of the SMLA grants the Department the authority to issue orders as may be necessary to enforce the SMLA. 7 P.S. § 6616(1).

VIOLATIONS

15. Mortgage Concepts is in violation of Section 308(a)(4) of the MBBCEPA by not being able to provide the Department with free access to records at the Principal Place.

16. Mortgage Concepts is in violation of Section 308(a)(2) of the MBBCEPA by not maintaining required records at its principal place of business in Pennsylvania when Mortgage Concepts did not have authorization to maintain the records elsewhere.

17. Mortgage Concepts is in violation Section 10(a)(4) of the SMLA by not being able to provide the Department with free access to records at the Principal Place.

18. Mortgage Concepts is in violation of Section 10(a)(2) of the SMLA by not maintaining records at its Principal Place of business in Pennsylvania when it did not have authorization to maintain the records elsewhere.

RELIEF

Corrective Measures.

a. Within thirty (30) days of the Effective Date of this Order, Mortgage Concepts shall staff its principal place of business on a full-time basis, i.e. Mortgage Concepts shall have a knowledgeable W-2 employee who meets the continuing education requirements of the MBBCEPA, the Mortgage Bankers and Brokers & Consumer Equity Protection Act Continuing Education Regulations, 10 Pa. Code § 44.1 et seq., and the SMLA and who is physically located at the principal place of business during regular business hours. Knowledgeable is defined as having the capability to conduct the business of Mortgage Concepts, including being able to directly contact consumers to present, negotiate or provide advice regarding loan terms.

b. Upon the Effective Date of this Order, Mortgage Concepts shall maintain all Pennsylvania first and secondary residential mortgage records at its principal place of business in Pennsylvania unless the Department authorizes otherwise.

FURTHER PROVISIONS

19. Consent. Mortgage Concepts 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. Mortgage Concepts, 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.

20. Publication and Release. Mortgage Concepts consents to the publication and release of this Order.

21. 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 Mortgage Concepts.

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

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

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

25. 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 Mortgage Concepts in the future regarding all matters not resolved by this Order.

b. Mortgage Concepts 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.

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

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

28. 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 Mortgage Concepts intending to be legally bound do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING, BUREAU OF
COMPLIANCE, INVESTIGATIONS AND LICENSING**

Ryan M. Walsh, Administrator
Bureau of Compliance, Investigations and Licensing
Department of Banking

Date: August 6, 2008

**FOR US MORTGAGE CORPORATION
D/B/A MORTGAGE CONCEPTS FUNDING INC.**

(Officer Signature)

Steven A. Milner
(Print Officer Name)

President and CEO
(Title)

Date: 9/30/08