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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, INVESTIGATION
AND LICENSING

Docket No. : 080326 (ENF-ORD)

IDEAL MORTGAGE BANKERS, LTD.
D/B/A LEND AMERICA**CONSENT AGREEMENT AND ORDER**

The Commonwealth of Pennsylvania, acting through the Department of Banking (the "Department"), Bureau of Compliance, Investigation and Licensing believes that Ideal Mortgage Bankers, Ltd. d/b/a Lend America ("Lend America") is in violation of 7 Pa. C. S. § 6101 et seq. (the "Mortgage Act"). 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 of Banking (the "Department") is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce 7 Pa. C.S. § 6101 et seq. (the "Mortgage Act").
2. The Bureau of Compliance, Investigation and Licensing (the "Bureau") is primarily responsible for administering and enforcing the Mortgage Act for the Department.
3. The Mortgage Act is the successor statute to Chapter 3 of the Mortgage Bankers and Brokers and Consumer Equity Protection Act (the "MBBCPEA"), 63 P.S. § 456.301 et seq.

and the Secondary Mortgage Loan Act (the "SMLA"), 7 P.S. § 6601 et seq. On November 5, 2008, Chapter 3 of the MBBCEPA and the SMLA were repealed by operation of law and replaced by the Mortgage Act.

4. Ideal Mortgage Bankers, Ltd. d/b/a Lend America ("Lend America") was licensed as a First Mortgage Banker, license no. 16391, under the MBBCEPA and as a Secondary Mortgage Lender, license no. 14611, under the SMLA.

5. Lend America was granted a conditional license pursuant to the Mortgage Act on November 5, 2008.

6. Lend America is currently licensed as a Mortgage Lender, license no. 21374, pursuant to the Mortgage Act.

7. Lend America has its principal place of business in Pennsylvania located at 324 Main Ave. Hawley, PA 18428-1536 (the "Principal Place") and a licensed branch office in Melville, NY.

8. On September 24, 2008, Pennsylvania consumer [REDACTED] (the "Consumer") executed loan-related documents in connection with a purchase money mortgage loan with Lend America (the "Loan") for a property located at [REDACTED].

9. "Closed," "loan closing" and similar terms refer to the fact that a mortgage loan agreement was entered into and legally binding documents were signed to evidence that mortgage loan agreement.

10. On or around October 31, 2008, the Bureau became aware that Lend America did not fund the Consumer's Loan for which Lend America had issued a Mortgage Commitment.

11. On November 21, 2008, the Bureau issued an order, Docket no. 080526(ENF-ORD), requiring Lend America to fund the Loan.

12. Lend America timely appealed that order.

13. Lend America contends that the reason that the Loan was not funded was the Consumer's failure to provide documentation regarding the source of the funds necessary for closing, as required by applicable guidelines for FHA-insured loans.

14. The Bureau alleges that Lend America allowed the closing to proceed even though the source of funds was not requested or provided prior to closing.

15. It is the Bureau's belief that Lend America attempted to conduct post-closing underwriting.

16. The Bureau alleges that Lend America's failure to fund the Loan caused the Consumer harm.

17. Section 6138(a)(4) of the Mortgage Act (based upon Section 310(a) of the MBBCEPA and Section 16(1) of the SMLA) provides the Department with authority to issue orders as may be necessary for the proper conduct of the mortgage loan business and the enforcement of the Mortgage Act. 7 Pa. C.S. § 6138(a)(4) (based upon 63 P.S. § 456.310(a) and 7 P.S. § 6616(1)).

18. Section 6139(a)(3) of the Mortgage Act (based upon Section 313(a)(5) of the MBBCEPA) authorizes the Department to suspend, revoke or refuse to renew a license issued under the Mortgage Act if the licensee has "[e]ngaged in dishonest, fraudulent or illegal practices or conduct in a business or unfair or unethical practices or conduct in connection with the mortgage loan business." 7 Pa. C.S. § 6139(a)(3) (based upon 63 P.S. § 456.313(a)(5)).

19. Section 46.2(k)(1) of the Department's Proper Conduct of Lending and Brokering in the Mortgage Loan Business, 10 Pa. Code § 46.1 *et seq.* (the "Proper Conduct Reg"), "[a] licensee lender may not refuse or fail to fund a consummated loan, other than when an applicant rescinds the loan in accordance with 12 CFR 226.15 or 226.23 (relating to the right of rescission, as applicable) except as provided in paragraph (4)." 10 Pa. Code § 46.2(k)(1).

20. Section 46.2(k)(4) of the Department's Proper Conduct Reg provides, in relevant part, that "[a]ny post-closing underwriting or quality control review conducted by a licensee lender after the consummation of a loan may not delay the funding of a loan or result in a failure or refusal to fund the loan in accordance with this subsection unless the applicant has committed fraud against the licensee, which may be raised as an affirmative defense in any proceeding brought by the Department based upon a violation of this subsection." 10 Pa. Code § 46.2(k)(4).

21. The Bureau alleges that Lend America engaged in dishonest, fraudulent, illegal, unfair and/or unethical business practices by not funding a closed loan it was required to.

22. Due to the circumstances surrounding this Loan closing, the Consumer has decided to withdraw his application with Lend America and does not wish to pursue obtaining a mortgage through Lend America.

23. Lend America denies the Bureau's allegations, and it is agreed that Lend America does not admit to any violations of applicable law by entry of this Order.

24. This Order is entered in resolution of the November 21, 2008, order.

25. The parties intend this Order to fully resolve any and all issues relating to or arising out of Consumer's Loan.

RELIEF

26. Appraisal Fee. Within ten (10) days of the Effective Date of this Order, Lend America shall refund the Consumer's appraisal fee of \$450 from the first closing. The refund shall be sent by Overnight Mail and the U.S. Postal Service tracking number shall be forwarded to the Bureau.

27. Corrective Action. Upon the Effective Date of this Order, Lend America shall not refuse to fund, or delay funding of, any loan which a Pennsylvania consumer in good faith closes with Lend America unless the Pennsylvania consumer exercises any applicable right of rescission.

FURTHER PROVISIONS

28. Consent. Lend America hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's order authority under the Mortgage Act and agrees that it understands all of the terms and conditions contained therein. Lend America, 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.

29. Publication. The Department will publish this Order pursuant to its authority in Section 502.A.(5) of the Department of Banking Code. 71 P.S. § 733-502.A.(5).

30. 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 Lend America.

31. Binding Nature. The Department and Lend America intend to be and are legally bound by the terms of this Order.

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

33. Effectiveness. Lend America hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order ("Effective Date").

34. 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 Lend America in the future regarding all matters not resolved by this Order.

b. Lend America 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.

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

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

37. 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 Lend America 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 M. Walsh, Administrator
Bureau of Compliance,
Investigation and Licensing
Department of Banking

Date: February 17, 2009

FOR IDEAL MORTGAGE BANKERS LTD. D/B/A LEND AMERICA

[Signature]
(Officer Signature)

[Print Name]
(Print Officer Name)

EVPI/COO
(Title)

Date: 2/10/2009