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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

PA DEPT OF BANKING

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING, BUREAU
OF COMPLIANCE, INVESTIGATION
AND LICENSING,

Docket No. 09 0220 (ENF-CO)

v.

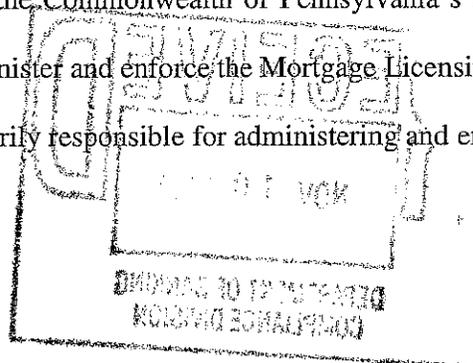
JACOB DEAN MORTGAGE, INC.

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking (the "Department"), Bureau of Examinations, has conducted an examination of Jacob Dean Mortgage, Inc. ("Jacob Dean Mortgage"), and its officers, employees and directors. Based on the results of the examination, the Bureau of Compliance, Investigation and Licensing (the "Bureau") believes that Jacob Dean Mortgage operated in violation of the Mortgage Licensing Act, 7 Pa. C.S. § 6101 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 Mortgage Licensing Act.
2. The Bureau is primarily responsible for administering and enforcing the Mortgage Licensing Act for the Department.



3. Jacob Dean Mortgage was formerly licensed as a First Mortgage Broker, license no. 14994, pursuant to the MBBCEPA and as a Secondary Mortgage Broker, license no. 14995 under the SMLA.

4. The Mortgage Licensing Act is the successor statute to Chapter 3 of the Mortgage Bankers and Brokers and Consumer Equity Protection Act (the "MBBCEPA"), 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 seq.* On November 5, 2008, Chapter 3 of the MBBCEPA and the SMLA were repealed by operation of law and replaced by the Mortgage Licensing Act.

5. Jacob Dean Mortgage was granted a conditional license pursuant to the Mortgage Licensing Act on November 5, 2008 and is currently licensed as a Mortgage Loan Correspondent, license no. 26734 under the Mortgage Licensing Act.

6. Jacob Dean Mortgage maintains its principal place of business in Pennsylvania at 8150 Perry Highway, Suite 101, Pittsburgh, PA 15237-5232 (the "Principal Place").

7. On March 5, 2009, an examiner from the Department initiated an examination of Jacob Dean Mortgage at the Principal Place (the "Examination").

Unlicensed Loan Originators

8. The Examination revealed that Jacob Dean Mortgage accepted ten (10) Pennsylvania residential mortgage applications (the "Applications") from two (2) individuals who were not licensed as mortgage originators under the Mortgage Licensing Act (the "Unlicensed Individuals").

9. As of January 1, 2009, individuals acting as mortgage loan originators were required to be licensed as mortgage originators pursuant to Section 6111(a) of the Mortgage Licensing Act. *See* Section 13 of H.B. 1654 (2009).

10. The Applications were originated subsequent to January 1, 2009 by the Unlicensed Individuals.

11. The Unlicensed Individuals were employees of Jacob Dean Mortgage however they did not correctly submit loan originator applications by January 1, 2009, and thus could not engage in the mortgage business in Pennsylvania subsequent to January 1, 2009.

12. Jacob Dean Mortgage contends that the information for the Unlicensed Individuals was entered into the Nationwide Mortgage Licensing System prior to the end of the transition date, however, due to administrative oversight, the application information was not submitted properly.

13. Jacob Dean Mortgage provided the Department with documentation evidencing that the Unlicensed Individuals initiated the process to become licensed during the transitional period.

14. Subsequent to the Examination, the two Unlicensed Individuals became licensed as mortgage originators.

Authority of the Department

15. 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).

16. Section 6139(a)(14) of the Mortgage Licensing Act provides that the Department may suspend, revoke or refuse to renew a license issued under the Mortgage Licensing Act if “a mortgage broker, mortgage lender or mortgage loan correspondent, conducted *the mortgage loan business through an unlicensed mortgage originator.*” 7 Pa. C.S. § 6140(b). (*emphasis added*).

17. Section 6140(b) of the Mortgage Licensing Act provides, in relevant part, that “[a] person licensed under this chapter or director, officer, owner, partner, employee or agent of a licensee who violates a provision of this chapter or who commits any action which would subject the licensee to suspension, revocation or nonrenewal under section 6139 may be fined by the department up to \$10,000 for each offense.” 7 Pa. C.S. § 6140(b).

VIOLATIONS

18. Jacob Dean Mortgage is in violation of Section 6139(a)(14) of the Mortgage Licensing Act by accepting mortgage loans from unlicensed loan originators.

RELIEF

19. Fine. Jacob Dean Mortgage agrees to pay a fine of two thousand five hundred dollars (\$2,500) which shall be due and payable to the Department within thirty (30) days of the Effective Date of this Order. The fine payment shall be remitted by a certified check or money order made payable to the Pennsylvania Department of Banking and sent to the attention of Compliance Division, Bureau of Compliance, Investigation and Licensing, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

20. Corrective Measures. Upon the Effective Date of this Order, Jacob Dean Mortgage shall cease and desist from accepting Pennsylvania residential mortgage applications from individuals who are not properly licensed under the Mortgage Licensing Act.

FURTHER PROVISIONS

21. Consent. Jacob Dean Mortgage 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

herein. Jacob Dean 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.

22. 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).

23. 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 Jacob Dean Mortgage.

24. Binding Nature. The Department, Jacob Dean Mortgage, and all officers, owners, directors, employees, heirs and assigns of Jacob Dean Mortgage intend to be and are legally bound by the terms of this Order.

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

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

27. 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 Jacob Dean Mortgage in the future regarding all matters not resolved by this Order.

b. Jacob Dean 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.

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

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

30. 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 Jacob Dean 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 M. Walsh, Administrator
Bureau of Compliance, Investigation and Licensing
Department of Banking

Date: November 12, 2009

FOR JACOB DEAN MORTGAGE, INC.

(Officer Signature)

Juan C. Jimenez
(Print Officer Name)

President
(Title)

Date: 10/29/2009