

COMMONWEALTH OF PENNSYLVANIA **FILED**
DEPARTMENT OF BANKING

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

PA DEPT OF BANKING

Docket No.: 10 0274 (ENF-ORD)

v.

C.M. MORTGAGE SERVICES, INC.

ORDER

WHEREAS, the Department of Banking ("Department") is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the Mortgage Licensing Act, 7 Pa. C.S. § 6101, *et. seq.*; and

WHEREAS, the Bureau of Compliance, Investigation and Licensing ("Bureau") is primarily responsible for administering and enforcing the Mortgage Licensing Act; and

WHEREAS, C.M. Mortgage Services, Inc. ("C.M. Mortgage") is located at 1240 W Chester Pike, Ste 212, West Chester, Pennsylvania 19382; and

WHEREAS, C.M. Mortgage maintains a conditional license with the Department as a Mortgage Loan Correspondent, License No. 22664, NMLS Id. No. 143821; and

WHEREAS, C.M. Mortgage's license is conditioned on it meeting all of the requirements of the Mortgage Licensing Act; and

WHEREAS, the Mortgage Licensing Act requires mortgage loan correspondents to obtain and maintain a surety bond, in a form acceptable to the Department, from a surety company authorized to do business in the Commonwealth, 7 Pa. C.S. § 6131(d)(3); and

WHEREAS, the Mortgage Licensing Act sets forth the amount of the surety bond that a mortgage loan correspondent must obtain based upon the mortgage license type and the amount of mortgage loans originated or anticipated to be originated, 7 Pa. C.S. § 6131(d)(3); and

WHEREAS,

The amount of the bond shall be \$100,000 for . . . [a] licensee whose mortgage originators will originate or originated less than \$30,000,000 in mortgage loans secured by Pennsylvania residential real estate in a calendar year, \$200,000 for an applicant or licensee whose mortgage originators will originate or originated \$30,000,000 to \$99,999,999.99 . . . [and] \$300,000 for . . . [a] licensee whose mortgage originators will originate or originated \$100,000,000 to \$249,999,999.99 . . . and \$500,000 for . . . [a] licensee whose mortgage originators will originate or originated \$250,000,000 or more in mortgage loans secured by Pennsylvania residential real estate in a calendar year.

7 Pa. C.S. § 6131(d)(3)(i); and

WHEREAS, C.M. Mortgage disclosed to the Department, in its 2009 annual report, that it originated less than \$30,000,000 in mortgage loans secured by Pennsylvania residential real estate, 7 Pa. C.S. § 6131(d)(3)(ii); and

WHEREAS, as a result, C.M. Mortgage must obtain and maintain a surety bond in the amount of \$100,000 to be in compliance with the Mortgage Licensing Act; and

WHEREAS, the Bureau, through its employees, made repeated attempts to obtain the \$100,000 surety bond from C.M. Mortgage; and

WHEREAS, to date, C.M. Mortgage has not provided the surety bond to the Department; and

WHEREAS, C.M. Mortgage has been operating as a mortgage loan correspondent without a surety bond; and

WHEREAS, Section 6133(f) of the Mortgage Licensing Act provides that if the Department determines that conditions imposed upon a licensee have not been fulfilled, the

department may take *any action* against the licensee that the department deems necessary as set forth in the chapter, 7 Pa. C.S. § 6133(f) (emphasis added); and

WHEREAS, the Department has the authority to suspend . . . any license issued pursuant to the Mortgage Licensing Act if a licensee has failed to comply with or violated any provision of the Mortgage Licensing Act, 7 Pa. C.S. § 6139(a)(2); and

WHEREAS, the Department has the authority to issue orders for the enforcement of the Mortgage Licensing Act, 7 Pa. C.S. § 6138(a)(4); and

WHEREAS, the Department may fine a licensee up to \$10,000 per offense for violating the Mortgage Licensing Act or committing any action which would subject the licensee to license suspension, 7 Pa. C.S. § 6140(b); and

AND NOW THEREFORE, because C.M. Mortgage, has violated the Mortgage Licensing Act by failing to provide a surety bond to the Department, the Bureau under the authority cited above, hereby imposes the following Order. From the effective date of this Order, C.M. Mortgage's license is hereby **SUSPENDED** until it meets **both** of the following conditions:

1. C.M. Mortgage provides an original and fully executed surety bond in the amount of \$100,000 to the Department on a form approved by the Department by a company authorized to do business in the Commonwealth. The surety bond shall be mailed to:

Theresa L. Jones, AFIE
Bureau of Compliance
Pennsylvania Department of Banking
17 N. Second Street, Suite 1300
Harrisburg, PA 17101

2. C.M. Mortgage pays a fine in the amount of \$5,000. Payment shall be made by certified check or money order to the "Department of Banking" and shall be sent to the following:

Department of Banking
Bureau of Compliance
17 N. Second Street, Suite 1300
Harrisburg, PA 17101

Because C.M. Mortgage's license is suspended, it shall not, in any way, engage in the mortgage loan business in this Commonwealth, as defined in the Mortgage Licensing Act, until the Department reinstates its license upon receipt of a surety bond that complies with the Mortgage Licensing Act and upon receipt of the \$5,000 fine. Nothing in this Order shall prevent the Bureau from taking any further administrative action as deemed necessary for the enforcement of the Mortgage Licensing Act.

IT IS SO ORDERED.

Ryan Walsh, Administrator
Department of Banking,
Bureau of Compliance, Investigation and Licensing

Dated: November 16, 2010

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Order upon the parties below, who constitute the only parties of record in this proceeding, in accordance with the requirements of 1 Pa. Code § 33.32:

BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED,
AND FIRST CLASS MAIL:

C.M. Mortgage Services, Inc.
c/o James R. Conway, President
1240 W Chester Pike
Ste 212
West Chester, PA 19382-5655

Dated: November 16, 2010

~~Begete~~ A. Bahl, Assistant Counsel
Commonwealth of Pennsylvania
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Harrisburg, PA 17101-2290
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