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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

2010 JAN -8 PM 3: 25

PA DEPT OF BANKING

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

Docket No. : 10 0004 (ENF-ORD)

v.

FINANCIAL RESTORATION, INC.

ORDER

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

WHEREAS, the Mortgage Licensing Act amended the Mortgage Act on August 5, 2009. *See* 7 Pa. C.S. § 6101 et seq., amended by Act 31 of 2009, H.B. 1654 (P.N. 2448); and

WHEREAS, Financial Restoration, Inc. ("Financial Restoration") maintains a website, www.finrestore.com; and

WHEREAS, Financial Restoration advertises that it is in mortgage loan modification business. *See* Exhibit A; and

WHEREAS, Pennsylvania is included in the dropdown menu under Contact Us. *See* Exhibit B; and

WHEREAS, the Mortgage Licensing Act applies to any mortgage loan that is “(i) negotiated, offered or otherwise transacted within this Commonwealth, in whole or in part, whether by the ultimate lender *or any other person*; (ii) made or executed within this Commonwealth; or (iii) notwithstanding the place of execution, secured by real property located in this Commonwealth.” 7 Pa. C.S. § 6135(1) (emphasis added); and

WHEREAS, Section 6102 of the Mortgage Licensing Act defines “mortgage loan business” as “[t]he business of advertising, causing to be advertised, soliciting, negotiating or arranging in the ordinary course of business or offering to make or making mortgage loans.” 7 Pa. C.S. § 6102; and

WHEREAS, Section 6102 of the Mortgage Licensing Act defines a “first mortgage loan” as a loan which is “(1) made primarily for personal, family or household use; and (2) secured by any first lien mortgage, deed of trust, or equivalent consensual security interest on a dwelling or on residential real estate.” 7 Pa. C.S. § 6102; and

WHEREAS, Section 6102 of the Mortgage Licensing Act defines a “secondary mortgage loan” as “(1) made primarily for personal, family or household use; and (2) secured by any secondary lien mortgage, deed of trust, or equivalent consensual security interest on a dwelling or on residential real estate.” 7 Pa. C.S. § 6102; and

WHEREAS, Section 6102 of the Mortgage Licensing Act defines a “mortgage loan” as “[a] first or secondary mortgage loan, or both, as the context may require.” 7 Pa. C.S. § 6102; and

WHEREAS, Section 6102 of the Mortgage Licensing Act defines a “mortgage originator” as “(1) [a]n individual [who] takes a mortgage loan application or offers or negotiates terms of a mortgage loan for compensation or gain.” 7 Pa. C.S. § 6102; and

WHEREAS, by advertising the loan modification business to Pennsylvania consumers, Financial Restoration has engaged in the "mortgage loan business" as defined in the Mortgage Licensing Act; and

WHEREAS, Section 6111(a) of the Mortgage Licensing Act provides that ". . . no person shall engage in the mortgage loan business in this Commonwealth without being licensed as a mortgage broker, mortgage lender, mortgage loan correspondent or mortgage originator as provided under this chapter. A mortgage originator may not engage in the mortgage loan business unless the mortgage originator is employed and supervised by a licensed mortgage broker, mortgage lender or mortgage loan correspondent. . ." 7 Pa. C.S. § 6111(a); and

WHEREAS, Financial Restoration does not meet any of the exceptions to licensure in Sections 6111(b) and 6112 of the Mortgage Licensing Act. *See* 7 Pa. C.S. § 6111(b), 6112; and

WHEREAS, Financial Restoration is not licensed to engage in the mortgage loan business in Pennsylvania; and

WHEREAS, Financial Restoration has violated the Mortgage Licensing Act by engaging in the mortgage loan business in Pennsylvania without a license; and

WHEREAS, Section 6138(a)(4) of the Mortgage Licensing Act 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 Licensing Act. 7 Pa. C.S. § 6138(a)(4); and

WHEREAS, Section 6140(a) of the Mortgage Licensing Act provides, in relevant part that "[a] person subject to the provisions of this chapter and not licensed by the department who violates any provision of this chapter or who commits any action which would subject a license to suspension, revocation or nonrenewal under section 6139 (relating to suspension, revocation

or refusal) may be fined by the department up to \$10,000 for each offense.” 7 Pa. C.S. § 6140(a); and

AND NOW, THEREFORE, since Financial Restoration has engaged in unlicensed activity, the Bureau, pursuant to its authority referenced above hereby imposes the following Order:

1. Loan Origination. Upon the effective date of this Order, Financial Restoration and any and all officers, members, managers, employees, independent contractors or agents of Financial Restoration shall cease and desist from engaging in the mortgage loan business subject to the Mortgage Licensing Act, including, but not limited to, advertising (including website advertising), accepting applications and negotiating mortgage loans and mortgage loan modifications in Pennsylvania or to Pennsylvania consumers, unless and until such time that Financial Restoration and all loan originators as defined by the Mortgage Licensing Act are licensed by the Department pursuant to the Mortgage Licensing Act.

2. Pipeline Report. Upon the effective date of this Order, Financial Restoration shall provide a list of consumers who Financial Restoration has worked with in order to negotiate mortgage loan modifications (the “Pipeline Report”). The Pipeline Report shall include, but is not limited to:

- a. The names, addresses and phone numbers of consumers that have responded to Financial Restoration’s advertisements or that Financial Restoration has as clients; and
- b. The amount of fees collected from the consumers; and
- c. The current rate, term and payment of the consumers’ loans; and

- d. The proposed rate, term and payment of the loans subsequent to the loan modification; and
- e. The current status and/or resolution of the loan modification.

The list shall be sent to John Talalai, Administrator, Compliance Division, at
by 5:00 PM eastern time on the effective date of this Order.

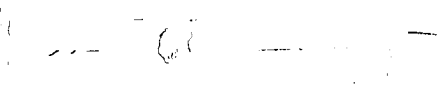
3. Advertising. Upon the effective date of this Order, Financial Restoration shall provide a list of any other websites or copies of any other advertising that Financial Restoration utilizes including, but not limited to, mail solicitations. The information shall be sent to John Talalai, Administrator, Compliance Division, at by 5:00 PM eastern time on the effective date of this Order.

4. Contact Information. Upon the effective date of this Order, Financial Restoration shall provide a list of all owners, officers and employees of Financial Restoration. The list shall include the name, address telephone number and position of these individuals. The information shall be sent to John Talalai, Administrator, Compliance Division, at by 5:00 PM eastern time on the effective date of this Order.

5. Non-prohibited Conduct. Nothing in this Order shall prevent Financial Restoration from negotiating loan modifications for consumers listed on the Pipeline Report if the consumers listed on the Pipeline Report provided the consumer wants Financial Restoration to proceed on his/her behalf.

6. Reservation of Rights. Nothing in this Order shall prevent the Bureau from taking any further administrative action as deemed necessary including, but not limited to imposing fines pursuant to Section 6140(a) or (b) of the Mortgage Licensing Act or seeking restitution for consumers.

IT IS SO ORDERED.



ai, Administrator
Department of Banking,
Bureau of Compliance, Investigation and Licensing

1-8-2010
(Date)

EXHIBIT A

[Mortgage Modifications](#) [Mortgage Modification](#) [Modification News](#) [Contact Us](#) [Call Us Today](#)

Financial Restoration,



Financial Restoration Inc. is a full service company specializing in mortgage modifications and negotiations. We are dedicated to helping homeowners in risk of losing their homes. We take on the burden of working with your lender. Financial Restoration Inc. can get results with more than 15 years of experience in lender negotiation.

There is hope. Let our experience work for you.

Many homeowners try to take on the daunting task of negotiating their own terms with their lender. The process is lengthy and can leave you running in circles. Relax and let us do the work. We work with lenders every day...we know what they're looking for when they make a decision to grant a modification. Lenders protect themselves; you should protect yourself by hiring a professional. Financial Restoration, Inc is devoted to negotiating terms with your best interest and overall financial objectives.

What is a loan modification? Is a modification right for me?

A loan modification is a permanent change in one or more terms of a borrower's loan. This allows for the loan to be reinstated, and results in a payment the borrower can afford.

You need a modification if:

- [You're facing foreclosure](#)



every day...we know what they're looking for when they make a decision to grant a modification. Lenders protect themselves, you should protect yourself by hiring a professional. Financial Restoration, Inc. is devoted to negotiating terms with your best interest and overall financial objectives.

What is a loan modification? Is a modification right for me?

A loan modification is a permanent change in one or more terms of a borrower's loan. This allows for the loan to be reinstated, and results in a payment the borrower can afford.

You need a modification if

- [You're facing foreclosure](#)
- [You owe more than your home is worth](#)
- [Your rate has adjusted](#)
- [You're behind on your mortgage payments](#)
- [You have experienced or will experience a hardship](#)

[Click here to begin your pre-qualification.](#)

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EXHIBIT B

Financial Restoration,



Contact Us

Financial Restoration, Inc.
(865) 573-0799 - Phone
(888) 821-1563 - Fax

First Name:

Last Name:

Address 1:

Address 2:

City:

Zip Code: (5 digits)

State:

Daytime Phone:

Evening Phone:

Email:

Enter comments here.

Comments:

* - Required fields

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DEPARTMENT OF BANKING

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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 §§ 33.35, 33.36 and 33.37:

BY CERTIFIED AND FIRST CLASS MAIL AND FASCIMILE

Financial Restoration, Inc.
236 E main Street, Suite 132
Sevierville, TN 37862
Fax (888)821-1563

Dated this 8th day of January, 2010.


Lauren A. Sassani
Assistant Counsel
Attorney I.D. # 203016
FOR: Commonwealth of Pennsylvania
Department of Banking
17 North Second Street, Suite 1300
Harrisburg, PA 17101
(717) 787-1471