

FILED

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING

2010 JUL 21 PM 1:54

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COMMONWEALTH OF PENNSYLVANIA	:	Docket No. : 10 <u>0156</u>	PA DEPT OF BANKING
DEPARTMENT OF BANKING, BUREAU	:		(ENF-ORD)
OF COMPLIANCE, INVESTIGATION	:		
AND LICENSING,	:		
	:		
	:		
v.	:		
	:		
HOPE FINANCIAL GROUP, LLC.	:		

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NOTICE OF RIGHT TO APPEAL AND HEARING

You, Hope Financial Group, LLC, have the right to appeal the attached Order within **10 days** of the date of service. See 1 Pa. Code § 35.20. The date of service is the date the Order is deposited in the mail or delivered to you in person, as the case may be, as set forth in 1 Pa. Code § 33.34. If you appeal the Order, you also have a right to a hearing.

To file an appeal and request a hearing on the Order, you must file a petition with the Secretary of Banking within 10 days of the date of service. 1 Pa. Code § 35.20. The petition must be in writing, state clearly and concisely your grounds of interest in the subject matter, the facts you rely upon, the law you rely upon, and the relief you seek. See 1 Pa. Code § 35.17. Please deliver your petition to:

Linnea Freeberg, Docket Clerk  
Office of Executive Deputy Secretary  
Pennsylvania Department of Banking  
17 N. Second Street, Suite 1300  
Harrisburg, PA 17101

The petition must be **received** by the Docket Clerk within the aforementioned 10 day deadline. If the Docket Clerk does not receive your petition on time, your right to a hearing will be waived and the Order will be deemed final.

If you choose to file a petition challenging the Order, please send an additional copy to:

Lauren Sassani, Assistant Counsel  
Pennsylvania Department of Banking  
17 N. Second Street, Suite 1300  
Harrisburg, PA 17101

Once you file your petition appealing the Order and requesting a hearing, you will be notified of the hearing date, time, place, the person who will preside at your hearing, and any other pertinent information.

You have the right to be represented by an attorney. Corporations may be required to be represented by an attorney.

The hearing and all other procedural matters will be governed by the Pennsylvania Administrative Agency Law, 2 Pa. C.S. §§ 501-508, 701-704, and the General Rules of Administrative Practice and Procedure, 1 Pa. Code §§ 31.1-35.251.

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PA DEPT OF BANKING

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

Docket No. : 10 0156 (ENF-ORD)

v.

HOPE FINANCIAL GROUP, LLC.

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

WHEREAS, in or around May 2010, the Bureau became aware that Hope Financial Group, LLC ("Hope Financial Group") sent a mail solicitation to an individual located in Scranton, Pennsylvania regarding mortgage loan modifications. A redacted copy of the mail solicitation is attached as Exhibit A.

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 “[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**, 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**, by advertising the loan modification business through a direct mail solicitation to a Pennsylvania consumer, Hope Financial Group is actively engaged in, and holding itself out as being engaged in, the mortgage loan business in Pennsylvania; and

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

**WHEREAS**, Hope Financial Group 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 Hope Financial Group has violated the Mortgage Licensing Act, the Bureau, pursuant to its authority referenced above, hereby imposes the following Order:

1. Loan Origination. Upon the effective date of this Order, Hope Financial Group and any and all officers, members, managers, employees, independent contractors or agents of Hope Financial Group 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 and direct mailings), accepting applications and negotiating mortgage loans and mortgage loan modifications in Pennsylvania or to Pennsylvania consumers, unless and until such time that Hope Financial Group 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, Hope Financial Group shall provide a list of consumers that Hope Financial Group 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 Pennsylvania consumers that have responded to Hope Financial Group's advertisements or that Hope Financial Group has as clients; and
- b. The amount of fees collected from the Pennsylvania consumers; and
- c. The current rate, term and payment of the Pennsylvania consumers' loans; and
- d. The proposed rate, term and payment of the loans subsequent to the loan modifications; and

- e. The current status and/or resolution of the loan modifications.

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

3. Advertising.

- a. Upon the effective date of this Order, Hope Financial Group shall provide a list of any websites or copies of any other advertising that Hope Financial Group utilizes, or has utilized, to solicit Pennsylvania consumers. The information shall be sent to John Talalai, Administrator, Compliance Division, at jtalalai@state.pa.us, by 5:00 PM eastern time on the effective date of this Order.

- b. Upon the effective date of this Order, Hope Financial Group shall provide a list of the Pennsylvania consumers who were sent the mail solicitation attached as Exhibit A.

4. Contact Information. Upon the effective date of this Order, Hope Financial Group shall provide a list of all owners, officers and employees of Hope Financial Group. 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 jtalalai@state.pa.us, by 5:00 PM eastern time on the effective date of this Order.

5. Non-prohibited Conduct. Nothing in this Order shall prevent Hope Financial Group from negotiating loan modifications for consumers listed on the Pipeline Report provided the consumer wants Hope Financial Group 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 pursuant to section 6138(a)(6).

IT IS SO ORDERED.

John Palalai, Administrator  
Department of Banking,  
Bureau of Compliance, Investigation and Licensing

7/21/2010  
(Date)



Exhibit A

# NOTICE OF POTENTIAL CANCELLATION OF FORECLOSURE YOUR IMMEDIATE PARTICIPATION IS REQUIRED

ACCESS NUMBER: 2790

CALL NOW TO SEE IF YOUR LIENHOLDER IS UNDER INVESTIGATION FOR PREDATORY LENDING AND FEDERAL DISCLOSURE VIOLATIONS. OUR REVIEW OF INFORMATION INDICATES THAT YOU MAY BE A VICTIM OF ONE OF THE ABOVE INFRACTIONS AND IT IS POSSIBLE THAT YOUR LOAN IS INVALID.

Redacted

Hope Financial Group has assisted thousands of Americans in their fight to save their homes from high interest rates, predatory lending and foreclosure due to financial hardship. We have fought and WON millions of dollars in lawsuits, mitigations and loan modifications for families just like yours. With the new laws passed by the Obama administration, your home located at Redacted has been PRE-APPROVED for a loan modification. This PRE-APPROVAL will allow our firm to take advantage of programs that your mortgage company has tried to keep a secret for years. Hope Financial Group has complete access to these programs and can help you save your largest investment, Your Home, by reducing your Principal Balance of \$ 445726 and your current house payment of \$2790 by up to 61% and putting you back in control of your financial future.

We have reviewed your mortgage documents and with the new laws that went into affect July 2nd, 2009 we feel that it is our responsibility to offer you our firm's expertise in fighting your mortgage company on your behalf.

YOU MAY QUALIFY TO PARTICIPATE IN MITIGATION AGAINST YOUR LENDER.

AS PART OF THE MITIGATION, HOMEOWNERS CAN BE ELIGIBLE TO:

- REDUCE THEIR MONTHLY MORTGAGE PAYMENTS
- ELIMINATE ANY INCREASE IN MORTGAGE PAYMENTS
- RECEIVE FINANCIAL COMPENSATION
- STOP ANY FORECLOSURES
- REDUCE YOUR LOAN BALANCES.

HFG will review your original loan documents for R.E.S.P.A violations at NO cost to you!

This will be our FINAL ATTEMPT to make contact!

*Time to participate is very limited.*

TO QUALIFY FOR PARTICIPATION, PLEASE CALL

**1-800-409-4233**

Monday - Friday between the hours of 9 A.M. to 7 P.M. EST  
PROGRAM IS VERY LIMITED TO A SPECIFIC NUMBER OF CASES AND STATUTES OF LIMITATIONS

THIS IS NOT BANKRUPTCY!  
YOU WILL NOT HAVE TO SELL YOUR HOME!  
YOU WILL NOT HAVE TO MOVE!

Redacted

CONTACT US TO PROTECT YOUR LEGAL RIGHTS!!!

We are NOT attempting to collect a debt, nor are we a debt collector.

Hope Financial Group is independent of the lien holder as well as the trustee.  
Hope Financial Group provides documentation investigation services and processing for attorneys.

YOU ARE NOT UNDER INVESTIGATION BY HFG!  
YOU WILL NEVER BE UNDER INVESTIGATION BY HFG!  
ONLY YOUR LENDER IS UNDER INVESTIGATION!

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OF COMPLIANCE, INVESTIGATION : (ENF-ORD)  
AND LICENSING, :  
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v. :  
 :  
HOPE FINANCIAL GROUP, LLC. :  
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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

Hope Financial Group, LLC  
9526 Argyle Forest Blvd.  
Suite B2 #429  
Jacksonville, FL 32222

Dated this 21<sup>st</sup> day of July, 2010.

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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