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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. 10 0149 (ENF-CO)

v.

MLD MORTGAGE, INC. D/B/A :
THE MONEY STORE. :

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking (the "Department"), Bureau of Compliance, Investigation and Licensing (the "Bureau"), has conducted a review of MLD Mortgage, Inc. d/b/a The Money Store ("The Money Store") and its officers, employees and directors. Based on the results of the review, the Bureau alleges that The Money Store operated in violation of 7 Pa. C. S. § 6101 et. seq. (the "Mortgage Licensing Act") and the regulation promulgated under the Mortgage Licensing Act known as the Proper Conduct of Lending and Brokering in the Mortgage Loan Business ("Proper Conduct Regulation"), 10 Pa. Code § 46.1 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, and without The Money Store admitting or denying the allegations contained herein 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 and the Proper Conduct Regulation.

2. The Bureau is primarily responsible for administering and enforcing the Mortgage Licensing Act and the Proper Conduct Regulation for the Department.

3. The Money Store is currently licensed as a Mortgage Lender, license no. 21384, Nationwide Mortgage Licensing System and Registry ("NMLSR") no. 1019, under the Mortgage Licensing Act.

4. The Money Store maintains its principal place of business at 30 B Vreeland Road, Florham Park, NJ 07932.

Appraiser Complaint

5. On or around March 18, 2010, the Bureau received a complaint ("Complaint") from a Pennsylvania licensed appraiser regarding an employee of The Money Store.

6. The appraiser had been engaged by The Money Store to perform an appraisal for a client of The Money Store on a refinance transaction on a Pennsylvania residence (the "Property").

7. The Complaint alleges that an employee of The Money Store contacted the appraiser and requested that the Property valuation return a certain value in order to make the refinance work within lender guidelines.

8. Section 46.2(j)(8)(i)(B) of the Proper Conduct Regulation provides, in relevant part, that a licensee may not improperly influence or attempt to improperly influence "[a]n

appraiser by committing any act or omission that is intended to . . . [e]nsure that an appraisal matches a requested or target value!" 10 Pa. Code § 46.2(j)(8)(i)(B).

9. Section 46.3(a) of the Proper Conduct Regulation provides that a violation of the Proper Conduct Regulation is a violation of the Mortgage Licensing Act. 10 Pa. Code § 46.3(a).

10. Section 6121(13)(i) of the Mortgage Licensing Act provides, in relevant part, that a licensee shall "[m]aintain supervision and control of and responsibility for the acts and omissions of all mortgage originators employed by the licensee." 7 Pa. C.S. § 6121(13)(i).

Unlicensed Loan Originators

11. Based on NMLSR records, the Bureau determined that the employee who requested the target value was an unlicensed loan originator for The Money Store.

12. The Bureau received an additional complaint regarding an unlicensed loan originator who was engaging in the mortgage business with a Pennsylvania consumer.

13. The Mortgage Licensing Act defines a mortgage originator as "an 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.

14. The Mortgage Licensing Act defines the 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.

15. Section 6111(a) of the Mortgage Licensing Act states "[o]n and after the effective date of this section, 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." 7 Pa. C.S. § 6111(a).

16. The Money Store contends that these were isolated incidents and these were the only loans that were originated by unlicensed individuals.

17. Section 6139(a)(14) of the Mortgage Licensing Act provides, in relevant part, that the Department may suspend, revoke or refuse to renew a license issued under the Act if a licensee or director, officer, partner, employee or owner of a licensee has "[i]n the case of a mortgage broker, mortgage lender or mortgage loan correspondent, conducted the mortgage loan business through an unlicensed mortgage originator." 7 Pa. C.S. § 6139(a)(14).

Authority of the Department

18. Section 6138(a)(4) of the Mortgage Licensing Act provides the Department the 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).

19. 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

20. The Money Store operated in violation of Section 6139(a)(14) of the Mortgage Licensing Act by accepting mortgage loans from unlicensed mortgage loan originators.

21. The Bureau alleges that The Money Store operated in violation of Section 6121(13)(i) by not maintaining supervision and control over its employees.

22. The Bureau alleges that The Money Store operated in violation of Section 46.2(j) of the Proper Conduct Regulation by having an employee request that an appraiser alter an appraisal to meet a target value.

RELIEF

23. Fine. The Money Store agrees to pay a fine of five thousand dollars (\$5,000) 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 company check, certified check or money order made payable to the Pennsylvania Department of Banking and sent to the attention of the Compliance Division, Bureau of Compliance, Investigation and Licensing, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

24. Unlicensed Activity. Upon the Effective Date of this Order, The Money Store shall cease and desist from accepting mortgage loan applications from unlicensed mortgage loan originators.

25. Appraisals. Upon the Effective Date of this Order, The Money Store shall not engage in conduct, which is contrary to Section 46.2(j) of the Proper Conduct Regulation.

26. Internal Control Plan. The Money Store shall submit an acceptable internal control plan (the "Plan") to the Bureau which discloses how policies and procedures will be implemented to prevent violations of this Order. The Plan shall provide policies and procedures which include, but are not limited to: compliance with the Mortgage Licensing Act, Proper Conduct Regulation and Federal laws. The Money Store agrees to submit the Plan within thirty (30) days of the Effective Date of this Order to the attention of Ryan M. Walsh, Administrator, Pennsylvania Department of Banking, Bureau of Compliance, Investigation and Licensing, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

The Bureau shall review the Plan and approve or refuse to approve the Plan within thirty (30) days of the submission of the Plan. Approval of the Plan shall not be unreasonably withheld. If the Bureau does not approve the Plan, the Bureau shall provide comments on why the Plan is unacceptable and allow The Money Store the opportunity to resubmit the Plan with the appropriate changes. The submission process shall continue until such time as the Bureau approves the Plan.

FURTHER PROVISIONS

27. Consent. The Money Store 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 therein. The Money Store, 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.

28. 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).

29. 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 The Money Store.

30. Binding Nature. The Department and The Money Store intend to be and are legally bound by the terms of this Order.

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

32. Effectiveness. The Money Store hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order ("Effective Date").

33. 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 The Money Store in the future regarding all matters not resolved by this Order.

b. The Money Store 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.

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

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

36. 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 The Money Store 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: July 7, 2010

FOR MLD MORTGAGE, INC. D/B/A THE MONEY STORE

(Officer Signature)

(Print Officer Name)

CHAIRMAN
(Title)

Date: 7-7-10