



3. Ark-La-Tex is a mortgage lender with a principal place of business located at 5160 Tennyson Pkwy, Suite 2000W & 3001 W, Plano, Texas 75024.

4. Ark-La-Tex was granted a mortgage lender license by the Department, license number 22114.

5. Ark-La-Tex was assigned the Nationwide Mortgage Licensing System and Registry ("NMLSR") identification number 2143.

6. On July 26, 2010, an examiner of the Department commenced an examination of Ark-La-Tex.

#### Pennsylvania Consumer Disclosure Forms

6. Based on the examination, the Bureau concluded that Ark-La-Tex did not complete and deliver a consumer disclosure form on 11 (eleven) occasions.

7. Ark-La-Tex contends that the disclosures were not provided on loans originated by a single originator who is no longer with the company.

8. Section 46.2 of the Proper Conduct Regulations requires the mortgage lenders to disclose information to consumers regarding any escrow of taxes and insurance, rate lock-in, variable interest rates, balloon payments, prepayment penalty, negative amortization by delivering or mailing a form to the consumer within three business days, requiring the lender to obtain the form bearing the consumer's signature within ten days, and the retention of the form in the lender's file. 10 Pa. Code § 46.2.

9. By failing to provide the applicants with a fully completed Pennsylvania Consumer Disclosure and failing to maintain the original executed form bearing the signature of the lender and the consumer in the applicant's loan file, Ark-La-Tex violated the Proper Conduct Regulations.

10. By violating the Proper Conduct Regulations, Ark-La-Tex violated the Mortgage Licensing Act. *See* 7 Pa. C.S. § 6139(a)(2); *see also* 10 Pa. Code § 46.3(a).

11. Prior to the completion of the examination, Ark-La-Tex updated the company policy on state-specific disclosures to ensure that the violation is not repeated going forward.

#### Unique Identifier

12. Based on the examination, the Bureau concluded that Ark-La-Tex did not include the mortgage originator's NMLSR unique identifier number on all applications it originated as required by the Mortgage Licensing Act.

13. Section 6121(14) of the Mortgage Licensing Act requires that "in the case of a mortgage originator, clearly display the mortgage originator's unique identifier on all mortgage loan application forms and personal solicitations or advertisements, including business cards." 7 Pa. C.S. § 6121(14).

14. By failing to include the mortgage originator's unique identifier on all mortgage applications, Ark-La-Tex was in violation of Section 6121(14) of the Mortgage Licensing Act.

15. Ark-La-Tex informed the Department that the origination software was reprogrammed to correctly print the NMLSR unique identifier on all required forms.

#### Authority of the Department

16. The Department has the authority to issue orders as may be necessary for the proper conduct of the mortgage loan business and enforcement of the MLA. 7 Pa. C.S. § 6138(a)(4).

17. The Department may fine "up to \$10,000" for each violation of the MLA committed by the licensee. 7 Pa. C.S. § 6140(b).

#### **RELIEF**

18. Fine. Ark-La-Tex will pay to the Department a fine in the amount of \$1,500.00 which shall be due within 30 days of the effective date of this Order as defined in paragraph 23. The payment shall be made by certified check or money order made payable to the "Department of Banking" and shall be sent to the attention of the Department of Banking, Bureau of Compliance, Investigation and Licensing located at 17 North Second Street, Suite 1300, Harrisburg, Pennsylvania 17101.

19. Corrective Action. Upon the effective date of the Order, Ark-La-Tex shall provide every mortgage loan applicant with a signed and dated Pennsylvania Consumer Disclosure form within 3 business days after the application is received or prepared by the licensee as required by 10 Pa. Code §§ 46.2(b),(c). Further, Ark-La-Tex shall require the mortgage loan applicant to sign and date the disclosure form within 10 business days after delivery or mailing and retain the original executed disclosure form in the applicant's loan file as required by 10 Pa. Code § 46.2(e).

#### FURTHER PROVISIONS

22. Consent. Ark-La-Tex 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. Ark-La-Tex, 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.

23. 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).

24. 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 Ark-La-Tex.

25. Binding Nature. The Department and Ark-La-Tex, and its officers, employees, directors, heirs and assigns, intend to be and are legally bound by the terms of this Order.

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

27. Effectiveness. Ark-La-Tex hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order.

28. 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 Ark-La-Tex in the future regarding all matters not resolved by this Order.

b. Ark-La-Tex 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.

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

30. Counterparts. This Order may be executed in separate counterparts, by facsimile and by email.

31. 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 Commonwealth of Pennsylvania, Department of Banking, Bureau of Compliance and Licensing and Ark-La-Tex.Com Inc., 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, Acting Chief of Compliance  
Department of Banking,  
Bureau of Compliance and Licensing

Date: November 30, 2011

**FOR ARK-LA-TEX FINANCIAL SERVICES, LLC**

\_\_\_\_\_  
(Officer Signature)

\_\_\_\_\_  
Print Officer Name

CEO  
(Title)

Date: 11-28-11