

2. The Bureau is primarily responsible for administering and enforcing the MLA and the Regulations for the Department.

3. Atlantic Home Equity is a mortgage loan correspondent with a principal place of business located at 9603 Deereco Road, Suite 301, Timonium, Maryland 21093.

4. Atlantic Home Equity is licensed by the Department, License No. 21657, Nationwide Mortgage Licensing System and Registry Identification Number 126333, to engage in the mortgage loan business in the Commonwealth.

5. On September 17, 2010, an examiner of the Department commenced an examination of Atlantic Home Equity at the principal place of business.

Failure To Provide Completed Pennsylvania Consumer Disclosure

6. The examiner found that of 60 mortgage loan files originated by Atlantic Home Equity, 54 did not contain the original fully executed disclosure form required by Section 46.2 of the Regulations.

7. The owner of the company, Frank Weaver, stated that he was not aware that the company had to be providing and maintaining the disclosure forms.

8. Section 46.2(b) of the Regulations provides that:

[o]n a form prescribed by the Department, a licensee who takes an application shall disclose the following to the applicant:

- (1) If the lender providing the loan will escrow the applicable property taxes and hazard insurance.
- (2) If the licensee is a lender with the ability to directly lock-in a loan interest rate.
- (3) Whether the loan contains a variable interest rate or a balloon payment feature.
- (4) Whether the loan includes a prepayment penalty.
- (5) Whether the loan has a negative amortization feature.

9. A "licensee issuing the disclosure form . . . shall sign and date the disclosure form and deliver or place in the mail the disclosure form within 3 business days after the application is received or prepared by the licensee." 10 Pa. Code § 46.2(c).

10. Moreover, "[a] licensee shall require an 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.*" 10 Pa. Code § 46.2(e) (emphasis added).

11. By failing to provide the applicants with a fully completed Pennsylvania Consumer Disclosure and maintaining the original executed form in the applicant's loan file, Atlantic Home Equity violated the Regulations.

12. By violating the Regulations, Atlantic Home Equity violated the MLA. *See* 7 Pa. C.S. § 6139(a)(2); *see also* 10 Pa. Code § 46.3(a).

13. Prior to the completion of the examination, Atlantic Home Equity added the Pennsylvania Consumer Disclosure to the company's origination software to ensure that it is provided to the consumer with each mortgage loan application.

Authority of the Department

14. 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).

15. 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

16. Fine. Atlantic Home Equity will pay to the Department a fine in the amount of \$2,000 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.

17. Corrective Action. Upon the Effective Date of the Order, Atlantic Home Equity 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, Atlantic Home Equity 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

18. Consent. Atlantic Home Equity hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's order authority under the MLA and agrees that it understands all of the terms and conditions contained herein. Atlantic Home Equity, 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.

19. 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).

20. 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 Atlantic Home Equity.

21. Binding Nature. The Department and Atlantic Home Equity, and its officers, employees, directors, heirs and assigns, intend to be and are legally bound by the terms of this Order.

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

23. Effectiveness. Atlantic Home Equity hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order ("Effective Date").

24. 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 Atlantic Home Equity in the future regarding all matters not resolved by this Order.

b. Atlantic Home Equity 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.

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

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

27. 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, Investigation and Licensing and Frank J. Weaver, Inc. d/b/a Atlantic Home Equity, 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
Department of Banking,
Bureau of Compliance, Investigation and Licensing

Date: __

FOR FRANK J. WEAVER, INC. d/b/a ATLANTIC HOME EQUITY

(Officer Signature)

Print Officer Name

(Title)

Date: 4/26/11

WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking, Bureau of Compliance, Investigation and Licensing and Frank J. Weaver, Inc. d/b/a Atlantic Home Equity, 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
Department of Banking,
Bureau of Compliance, Investigation and Licensing

Date: __

FOR FRANK J. WEAVER, INC. d/b/a ATLANTIC HOME EQUITY

(Officer Signature)

Print Officer Name

(Title)

Date: 4/26/11