

FILED

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

2011 SEP 15 PM 12:27

PA DEPT OF BANKING

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

Docket No. : 110081(ENF-ORD)

v.

MORTGAGE REHABILITATION, LLC

AMENDED ORDER¹

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

WHEREAS, the Mortgage Licensing Act was amended on August 5, 2009 by Act 31 of 2009, H.B. 1654 (P.N. 2448); and

WHEREAS, on or around March 4, 2010, the Department received a consumer complaint from _____ regarding U.S. Equity Solutions, LLC ("U.S. Equity") and Mortgage Rehabilitation, LLC ("Mortgage Rehabilitation"); and

WHEREAS, _____ resides at _____ PA and

¹ On April 28, 2011, the Commonwealth of Pennsylvania Department of Banking, Bureau of Compliance, Investigation and Licensing issued an order against U.S. Equity Solutions, LLC and Mortgage Rehabilitation, LLC with the above-captioned docket number. In August 2011, the Bureau of Compliance, Investigation and Licensing became the Bureau of Compliance and Licensing. The Order was served on both parties by first class & certified mail. The first class mail for Mortgage Rehabilitation was not returned thus, service was accomplished. No appeal was filed by Mortgage Rehabilitation and therefore the order, and the relief therein, is final. The Bureau was not able to accomplish service upon U.S. Equity Solutions, LLC. On August 2, 2011, the Bureau made a motion to amend the caption and served that motion upon Mortgage Rehabilitation. No objection has been filed, and the deadline for doing so has passed. Therefore, the order is now amended to remove U.S. Equity Solutions from the caption and the relief demanded against U.S. Equity Solutions has been withdrawn.

WHEREAS, U.S. Equity is a mortgage loan modification company with known addresses of 300 Red Brook Blvd., Suite 10, Owings Mills, MD 21117 and 10999 Red Run Blvd., Suite 108, Owings Mills, MD 21117; and

WHEREAS, Mortgage Rehabilitation is a mortgage loan modification company with known addresses of 100 Church Lane, Pikesville, MD 21208 and 66 Painters Mill Road, Suite 110, Owings Mills, MD 21117; and

WHEREAS, Mr. Rodney Getlan is the registered agent for Mortgage Rehabilitation and a loan officer for U.S. Equity and Mortgage Rehabilitation; and

Unlicensed Activity

WHEREAS, on July 25, 2009, _____ paid a \$2,500 fee to U.S. Equity in advance of a mortgage loan modification being negotiated and or completed by U.S. Equity. See Exhibits A; and

WHEREAS, at some point in the negotiation, _____ sent a wire transfer to Mortgage Rehabilitation in the amount of \$1,072.15 as an additional fee she had to pay in order Mortgage Rehabilitation to negotiate _____ mortgage loan modification with her lender. See Exhibit B; and

WHEREAS, Mr. Rodney Getlan handled _____ loan modification for both U.S. Equity and Mortgage Rehabilitation. See Exhibits C and D; and

WHEREAS, Mr. Getlan did not want _____ to contact her lender but instead assured her that _____ had nothing to worry about and that U.S. Equity and/or Mortgage Rehabilitation was working on her modification. See Exhibit E; and

WHEREAS, attempted to check on the status of her mortgage loan modification several times but was never provided a definitive answer from U.S. Equity or Mortgage Rehabilitation; and

WHEREAS, was eventually able to obtain a mortgage loan modification from her lender, but it was not because of any service from U.S. Equity or Mortgage Rehabilitation; and

WHEREAS, by offering and/or negotiating mortgage loan modifications to at least one Pennsylvania consumer, Mortgage Rehabilitation is actively engaged in and holding itself out as being engaged in the “mortgage loan business” as defined in the Mortgage Licensing Act; and

WHEREAS, Mortgage Rehabilitation does 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, Mortgage Rehabilitation is not licensed to engage in the mortgage loan business in Pennsylvania; and

WHEREAS, the employees of Mortgage Rehabilitation, including Rodney Getlan, that conduct the mortgage loan modification negotiations with third party lenders on behalf of consumers, are not licensed as mortgage originators pursuant to the Mortgage Licensing Act and do not meet any exception to licensure. See 7 Pa. C.S. § 6102, 6111(a), 6112; and

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

Advance Fees

WHEREAS, on December 29, 2010, the Federal Trade Commission’s regulation of mortgage assistance relief services, 16 CFR 322.1 *et seq.* became effective (the “FTC Regulation”). See <http://www.ftc.gov/opa/2010/11/mars/shtm>; and

WHEREAS, mortgage loan modifications and other similar services are included in the FTC Regulation's definition of "Mortgage Assistance Relief Service. " See 16 CFR 322.2(i); and

WHEREAS, the FTC Regulation defines a "Mortgage Assistance Relief Service Provider" as "any person that provides, offers to provide or arranges for others to provide, any mortgage assistance relief service. 16 CFR 322.2(j) and

WHEREAS, a mortgage loan modification company provides, offers to provide or arranges for others mortgage assistance relief services and is therefore a Mortgage Assistance Relief Service Provider as defined by the FTC Regulation; and

WHEREAS, on January 31, 2011 Section 322.5(a) of the FTC Regulation became effective and provides that it is a violation of that regulation for any mortgage assistance relief service provider to "[r]equest or receive payment of any fee or other consideration until the consumer has executed a written agreement between the consumer and the consumer's dwelling loan holder or servicer incorporating the offer of mortgage assistance relief the provider obtained from the consumer's dwelling loan holder or servicer." <http://www.ftc.gov/opa/2010/11/mars/shtm>, 16 CFR 322.5(a); and

WHEREAS, Mortgage Rehabilitation does meet any exception to the applicability of the FTC Regulation. 16 CFR 322.1 *et seq*; and

WHEREAS, by charging an upfront fee Mortgage Rehabilitation is in violation of the FTC Regulation; and

WHEREAS, Section 6121(3) of the Mortgage Licensing Act provides that a licensee must comply with all applicable Federal law. 7 Pa. C.S. § 6121(3); and

WHEREAS, by charging upfront fees in violation of the FTC Regulation, Mortgage Rehabilitation has violated the Mortgage Licensing Act; and

Mortgage Licensing Act

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. § 6151(1) (emphasis added); and

WHEREAS, Section 6102 of the Mortgage Licensing Act defines an “advance fee” as “[a]ny funds requested by or to be paid to a person in advance of or during the processing of a mortgage loan application, excluding those fees paid by a consumer directly to a credit agency reporting bureau, title company or real estate appraiser.” 7 Pa. C.S. § 6102; 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 “mortgage originator” as:

- (1) An individual [that] takes a mortgage loan application or offers or negotiates terms of a mortgage loan for compensation or gain.
- (2) The term does not include any of the following:
 - (i) An individual engaged solely as a loan processor or underwriter consistent with section 6112(8) (relating to exceptions to licensing requirements).
 - (ii) A person or entity solely involved in extensions of credit relating to timeshare plans. . . .
- (3) Except as set forth in paragraph (4), the term does not include an employee of a licensee or person exempt or excepted from licensure under

this chapter who *solely renegotiates terms for existing mortgage loans held or serviced by that licensee or person* and who does not otherwise act as a mortgage originator.

(4)

7 Pa. C.S. § 6102 (emphasis added); 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 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, Section 6131(e)(1) of the Mortgage Licensing Act provides that mortgage broker license applicants must obtain and “maintain a bond in the amount of \$100,000, in a form acceptable to the department, prior to the issuance of the license, from a surety company

authorized to do business in this Commonwealth. The bond shall be a penal bond conditioned on compliance with this chapter and subject to forfeiture by the department and shall run to the Commonwealth for its use. The bond shall also be for the use of any person against the mortgage broker for failure to carry out the terms of any provision for which advance fees are paid. . . .” 7 Pa. C.S. § 6131(e)(1); 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 Mortgage Rehabilitation 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 Order², Mortgage Rehabilitation and any and all officers, members, managers, employees, independent contractors or agents of Mortgage Rehabilitation 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

² This Order is effective on the tenth day of the date it is executed below, if no petition for hearing is timely filed. If a petition for hearing is timely filed, the Order will become effective on the date upon which a final order is issued.

mortgage loan modifications in Pennsylvania or to Pennsylvania consumers, unless and until such time that Mortgage Rehabilitation and all mortgage originators of the company as defined by the Mortgage Licensing Act are licensed by the Department pursuant to the Mortgage Licensing Act.

2. Fine. Upon the effective date of this Order, Mortgage Rehabilitation shall pay a \$1,000 fine for violating the Mortgage Licensing Act. The fine 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 and Licensing located at 17 North Second Street, Suite 1300, Harrisburg, Pennsylvania 17101.

3. Upon the effective date of this Order, Mortgage Rehabilitation shall provide a refund in the amount of \$1,072.15. Mortgage Rehabilitation shall provide the Bureau with evidence that the refund was paid by providing the Bureau with a copy of a cancelled/cleared check. A copy of the cancelled/cleared check shall be sent to John Talalai, Administrator, Compliance Division, by 5:00 PM eastern time on the effective date of this Order.

4. Pipeline Report. Upon the effective date of this Order, Mortgage Rehabilitation shall provide a list of consumers that Mortgage Rehabilitation 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 advertisements or that Mortgage Rehabilitation has as clients; and
- b. The amount of fees collected from the 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
modification; and
- e. The current status and/or resolution of the loan modification.

The Pipeline Report shall be sent to John Talalai, Administrator, Compliance Division,
by 5:00 PM eastern time on the effective date of this Order. The Pipeline Report
shall be updated weekly, until the Bureau no longer requires updates.

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

7. Contact Information. Upon the effective date of this Order, Mortgage
Rehabilitation shall provide a list of all owners, officers and employees of Mortgage
Rehabilitation. 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,
by 5:00 PM eastern time on the effective date of this Order.

8. Advance Fees. Upon the effective date of this Order Mortgage Rehabilitation
shall refund all advance fees collected from a Pennsylvania consumer. Proof of the refunded
advance fees shall be made in the form of cancelled/cleared checks and shall be sent to John
Talalai, Administrator, Compliance Division, by 5:00 PM eastern time on the
effective date of this Order.

9. Waiver. Nothing in this Order shall prevent Mortgage Rehabilitation from seeking a waiver from the Department to allow Mortgage Rehabilitation to complete a loan modification for a Pennsylvania consumer that is listed on the Pipeline Report as provided in Paragraph 4 in order to prevent further harm to the Pennsylvania consumer and for no other reason. Requests for waiver may be made to John Talalai, Administrator, Compliance Division,

10. 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.

~~John Talalai~~, Administrator
Department of Banking,
Bureau of Compliance and Licensing

9-14-2011
(Date)

EXHIBIT A

Redacted

Redacted

First National Bank
of New York
New York, N.Y. 10014

NEW YORK, N.Y. 10014

MEMBER
OF THE FDIC

U.S. Savings Bonds

\$ 2,500

Pay to the order of John J. Williams

DEPOSIT

Bank of America

MEMBER OF THE FDIC

Redacted

NEW YORK, N.Y. 10014

Redacted

Redacted

Redacted

EXHIBIT B



Out of State Counter Deposit

1. Verify the customer name and account number qualify.
2. Mark the State Code for the domicile state/city of the account.
3. Write the label number in the Front Counter below.

79	GA	58	GA	86	IA	46	IA	32	IL	31	IN	33	IA	35	KS	88	KS	82	LA	56	LA	84	CA	41	CA	76	CT
79	MD	58	MD	86	MA	46	MA	32	MI	31	MI	33	MA	35	MI	88	MI	82	MA	56	MA	84	CA	41	CA	76	CT
58	NY	38	NY	81	NC	56	NC	37	ND	97	ND	39	ND	89	ND	57	ND	63	ND	74	ND	53	ND	20	ND	99	ND
58	NY	38	NY	81	NY	56	NY	37	OH	97	OH	39	OH	89	OH	57	OH	63	OH	74	OH	53	OH	20	OH	99	OH
58	NY	38	NY	81	OR	56	OR	37	OR	97	OR	39	OR	89	OR	57	OR	63	OR	74	OR	53	OR	20	OR	99	OR
58	NY	38	NY	81	PA	56	PA	37	PA	97	PA	39	PA	89	PA	57	PA	63	PA	74	PA	53	PA	20	PA	99	PA
58	NY	38	NY	81	RI	56	RI	37	RI	97	RI	39	RI	89	RI	57	RI	63	RI	74	RI	53	RI	20	RI	99	RI
58	NY	38	NY	81	SC	56	SC	37	SC	97	SC	39	SC	89	SC	57	SC	63	SC	74	SC	53	SC	20	SC	99	SC
58	NY	38	NY	81	SD	56	SD	37	SD	97	SD	39	SD	89	SD	57	SD	63	SD	74	SD	53	SD	20	SD	99	SD
58	NY	38	NY	81	TN	56	TN	37	TN	97	TN	39	TN	89	TN	57	TN	63	TN	74	TN	53	TN	20	TN	99	TN
58	NY	38	NY	81	TX	56	TX	37	TX	97	TX	39	TX	89	TX	57	TX	63	TX	74	TX	53	TX	20	TX	99	TX
58	NY	38	NY	81	VA	56	VA	37	VA	97	VA	39	VA	89	VA	57	VA	63	VA	74	VA	53	VA	20	VA	99	VA
58	NY	38	NY	81	VT	56	VT	37	VT	97	VT	39	VT	89	VT	57	VT	63	VT	74	VT	53	VT	20	VT	99	VT
58	NY	38	NY	81	WA	56	WA	37	WA	97	WA	39	WA	89	WA	57	WA	63	WA	74	WA	53	WA	20	WA	99	WA
58	NY	38	NY	81	WI	56	WI	37	WI	97	WI	39	WI	89	WI	57	WI	63	WI	74	WI	53	WI	20	WI	99	WI
58	NY	38	NY	81	WV	56	WV	37	WV	97	WV	39	WV	89	WV	57	WV	63	WV	74	WV	53	WV	20	WV	99	WV
58	NY	38	NY	81	WY	56	WY	37	WY	97	WY	39	WY	89	WY	57	WY	63	WY	74	WY	53	WY	20	WY	99	WY

PLEASE COMPLETE ALL INFORMATION AND SIGNATURE VERIFICATION. All items received subject to terms and conditions of applicable laws, regulations and deposit agreement.

NAME HERE IF CASH RECEIVED FROM DEPOSITOR
 Address: 100 Church St
 City/State/Zip: BALTIMORE MD 21208
 (Please Print)

Redacted

Total Deposit \$

1072.15

1072.15

CREDIT

Deposits may not be available for immediate withdrawal.

EXHIBIT C

Subj: RE: (no subject)
Date: 3/3/2009 5:09:07 P.M. Eastern Standard Time
From: rdaveya@usecuritysolutions.org
To: **Redacted**
Lorena

We are working on you, please there are not updates every day. We update files every 7-10 days. They are standard letters, they are computer generated. PLEASE BE PATIENT!!! You will be fine. The process will take at least 90 days.

DO NOT FREAK OUT!!!

WE ARE TAKING CARE OF YOU!!!



Rodney S. Goltan
3345
10990 Red Kangaroo Way
Suite 102
Owings Mills, Maryland 21117
Tel: 877-607-8970 x334
Fax: 410-326-0663
http://www.usesecuritysolutions.org

<http://get.adobe.com/reader/> (Download Adobe 9.0 if you cannot open any of my files)

From: **Redacted** [mailto:**Redacted**]
Sent: Monday, August 03, 2009 5:05 PM
To: rdaveya@usecuritysolutions.org
Subject: (no subject)

Hi Rodney, Why is Flagstar sending these letters? Don't they know your company is working to get a modification? Are they going to damage my credit rating? Did you mail out the letter so they will stop bothering me until this is resolved? Thanks, Lorena M. Raven

Thursday, March 04, 2010 AOE: **Redacted**

EXHIBIT D

Subject: RE: Your Loan Modification (may not be complete)
Date: 9/23/2009 2:03:17 P.M. Eastern Standard Time
From: Rodney@mortgagerehabilit.com
To: [Redacted]
Loreta

This email was does not pertain to you and your loan. It was sent inadvertently. Sorry
Everything is processing as normal.

Mortgage Rehabilitation, L.P.
46 Parkers Mill Road
Suite 111
Oxonia Mills, MD 21117
301-669-9449 (toll free)
301-669-2327 (Direct)
MD 301-443-0000
301-332-4528 (fax)
Toll Free 1-800-811-3636
Rodney@mortgagerehabilit.com

From: [Redacted] (mailto:[Redacted])
Sent: Wednesday, September 23, 2009 2:36 PM
To: Rodney@mortgagerehabilit.com
Subject: RE: Your Loan Modification (may not be complete)

Hi Rodney: What is this email? Stating that your company went out of business and I owe this on
\$295 to finishing modification? Please answer me as soon as you can. Thanks. Loreta M. Raven

From: mark@quickmodprocessing.com
To: support@quickmodprocessing.com
Sent: 9/22/2009 7:12:47 P.M. Eastern Daylight Time
Subj: Your Loan Modification (may not be complete)

We have been doing Loan Modification processing for several companies that are no
longer in business or are not completing your documents. You are receiving this email
because your processing was being done through our offices. Please contact us so we
can complete your processing. If you are receiving this and your modification is already
with us we can complete it for \$295 and it will be complete in one day, ready for the
lender.

Mark Wilson
Quick Mod Processing
3650 South Pointe #206
Lanahan, NY 13029
Doug@quickmodprocessing.com
www.quickmodprocessing.com
(702) 298-7527 Phone
(877) 572-7527 Toll Free
(800) 625-570 Online Fax

Thursday, March 04, 2010 AOL [Redacted]

EXHIBIT E

