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PA DEPT OF BANKING

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

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

Docket No. 11 0152 (ENF-CO)

v.

MORTGAGE MASTER INC.

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"), Bureau of Examinations, conducted an examination of Mortgage Master Inc. ("Mortgage Master"), and its officers, employees and directors. Based on the results of the examination, the Bureau of Compliance, Investigation and Licensing ("Bureau") believes that Mortgage Master operated in violation of the Mortgage Licensing Act, 7 Pa. C.S. § 6101 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, hereby agree to the terms of this Consent Agreement and Order ("Order").

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the Mortgage Licensing Act.
2. The Mortgage Licensing Act was enacted on November 5, 2008.
3. Mortgage Master is currently licensed under the Mortgage Licensing Act as a mortgage lender, with license number 23036 and with the National Mortgage Licensing System Registry ("NMLSR") identification number of 4251.

4. Mortgage Master maintains its principal place of business at 102 Elm Street Walpole, Massachusetts, 02081.

5. Mortgage Master operates one licensed location in Pennsylvania located at 1060 First Avenue, Suite 400, King of Prussia, Pennsylvania 19406.

6. On or around July 14, 2010, the Bureau conducted an examination ("2010 Examination") of Mortgage Master at its licensed Pennsylvania location.

7. On or around April 27, 2011, the Bureau conducted an examination ("2011 Examination") of Mortgage Master at its licensed Pennsylvania location.

Advertising

8. The 2010 examination revealed that the website of Mortgage Master did not list its correct license number.

9. Section 6135(a)(5) of the Mortgage Licensing Act provides that a licensee who is a mortgage lender shall include language in all advertisements indicating it is licensed by the Department. 7 Pa. C.S. § 6135(a)(5).

Unlicensed Loan Originators

10. The 2011 examination revealed that between January 1, 2009 and the April 2011 Examination, Mortgage Master accepted twenty-six (26) Pennsylvania residential mortgage applications from multiple individuals ("Unlicensed Individuals") who were not licensed as mortgage loan originators under the Mortgage Licensing Act.

11. As of January 1, 2009, individuals acting as mortgage loan originators in the state of Pennsylvania were required to be licensed as mortgage loan originators pursuant to Section 6111(a) of the Mortgage Licensing Act. See Section 13 of H.B. 1654 (2009), 7 Pa. C.S. § 6111(a).

12. The Mortgage Licensing Act defines a mortgage loan 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.

13. The unlicensed individuals did not submit mortgage loan originator applications to the Department prior to originating the twenty-six (26) Pennsylvania residential mortgages.

14. The Mortgage Licensing Act applies to mortgage loans regardless of their place of execution where the mortgage loan is secured by real property located in Pennsylvania. 7 Pa. C.S. § 6151(1)(iii).

15. The Mortgage Licensing Act prohibits mortgage lenders from conducting the mortgage loan business through an unlicensed mortgage originator. 7 Pa. C.S. § 6139(a)(14).

Authority of the Department

16. Section 6138(a)(4) of the Mortgage Licensing Act grants the Department broad authority to issue orders as may be necessary for the proper conduct of the mortgage loan business and enforcement of the Mortgage Licensing Act. 7 Pa. C.S. § 6138(a)(4).

17. The Mortgage Licensing Act permits the Department to suspend, revoke or refuse to renew a license of a licensee mortgage lender where that mortgage lender “conducted the mortgage loan business through an unlicensed mortgage originator.” 7 Pa. C.S. § 6139(a)(2).

18. 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

19. Mortgage Master violated the Mortgage Licensing Act by not including the correct license number on its website. 7 Pa. C.S. § 6135(a)(5).

20. Mortgage Master violated the Mortgage Licensing Act when it conducting the mortgage loan business through the unlicensed individuals.

RELIEF

21. Fine. Mortgage Master agrees to pay a fine of seven thousand dollars (\$7,000) 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 certified check or money order made payable to the Pennsylvania Department of Banking and sent to the attention of: Pennsylvania Department of Banking, Bureau of Compliance, Investigation and Licensing, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

22. Corrective Measures. Upon the Effective Date of the Order, Mortgage Master shall not accept mortgage loan applications from unlicensed individuals.

FURTHER PROVISIONS

23. Consent. Mortgage Master 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. Mortgage Master, 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.

24. 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).

25. 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 Mortgage Master.

26. Binding Nature. The Department, Mortgage Master, and all officers, owners, directors, employees, heirs and assigns of Mortgage Master intend to be and are legally bound by the terms of this Order.

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

28. Effectiveness. Mortgage Master hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order (the "Effective Date").

29. 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 Mortgage Master in the future regarding all matters not resolved by this Order.

b. Mortgage Master 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.

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

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

35. 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 Mortgage Master 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

Lucy Cortez, Enforcement Administrator
Department of Banking
Bureau of Compliance, Investigation and Licensing

Date: 9/13/11

FOR MORTGAGE MASTER INC.

(Officer Signature)

(Print Officer Name)

President
(Title)

Date: 9/16/11