

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

FILED

2011 JAN 10 AM 10:30

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

Docket No. : 11 ~~CC~~ ~~DEPT OF BANKING~~ (ENT-ORD)

v.

MORTGAGE SOLUTIONS FOR AMERICA

NOTICE OF RIGHT TO APPEAL AND HEARING

You, Mortgage Solutions for America, have the right to appeal the attached Order within 10 days of the date of service. *See* 1 Pa. Code § 35.20. The date of service is the date the Order is deposited in the mail or delivered to you in person, as the case may be, as set forth in 1 Pa. Code § 33.34. If you appeal the Order, you also have a right to a hearing.

To file an appeal and request a hearing on the Order, you must file a petition with the Secretary of Banking within 10 days of the date of service. 1 Pa. Code § 35.20. The petition must be in writing, state clearly and concisely your grounds of interest in the subject matter, the facts you rely upon, the law you rely upon, and the relief you seek. *See* 1 Pa. Code § 35.17. Please deliver your petition to:

Linnea Freeberg, Docket Clerk
Office of Executive Deputy Secretary
Pennsylvania Department of Banking
17 N. Second Street, Suite 1300
Harrisburg, PA 17101

The petition must be **received** by the Docket Clerk within the aforementioned 10 day deadline. If the Docket Clerk does not receive your petition on time, your right to a hearing will be waived and the Order will be deemed final.

If you choose to file a petition challenging the Order, please send an additional copy to:

Lauren Sassani, Assistant Counsel
Pennsylvania Department of Banking
17 N. Second Street, Suite 1300
Harrisburg, PA 17101

Once you file your petition appealing the Order and requesting a hearing, you will be notified of the hearing date, time, place, the person who will preside at your hearing, and any other pertinent information.

You have the right to be represented by an attorney. Corporations may be required to be represented by an attorney.

The hearing and all other procedural matters will be governed by the Pennsylvania Administrative Agency Law, 2 Pa. C.S. §§ 501-508, 701-704, and the General Rules of Administrative Practice and Procedure, 1 Pa. Code §§ 31.1.-35.251.

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<p>COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF BANKING, BUREAU OF COMPLIANCE, INVESTIGATION AND LICENSING,</p> <p style="text-align: center;">v.</p> <p>MORTGAGE SOLUTIONS FOR AMERICA</p>	<p>:</p>	<p>Docket No. : 110004 PA DEPT OF BANKING (ENF-ORD)</p>
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ORDER

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, Investigation 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

Mortgage Solutions for America

WHEREAS, in or around June 2010, the Department became aware that Mortgage Solutions for America ("Mortgage Solutions") had sent a mail solicitation to an individual located in Philadelphia, Pennsylvania (Philadelphia County) regarding mortgage loan modifications. See Exhibit A; and

WHEREAS, Mortgage Solutions is located at 25 Cedar Croft Rd., Gibbsboro, NJ 08026; and

WHEREAS, Mortgage Solutions maintains a website, www.mortgagesolutionsforamerica.com (the "Website"); and

WHEREAS, "Pennsylvania" is included in the dropdown menu under the "Contact Information" section of the Website. See Exhibit B; and

WHEREAS, according to the Website, Mortgage Solutions performs what it terms a "Forensic Loan Audit", which is "an extensive and thorough examination of your loan documents that you signed when you first got your mortgage loan". See Exhibit C; and

WHEREAS, according to the mail solicitation, Mortgage Solutions states that "We are not a loan modification company, although we get you a modification". See Exhibit A; and

WHEREAS, according to the mail solicitation, Mortgage Solutions states that "We handle the whole process and deal directly with your lender to adjust your mortgage...". See Exhibit A; and

WHEREAS, according to the Website, once Mortgage Solutions completes the "forensic loan audit" a written report detailing the results are provided both to the consumer and to the consumer's lender." See Exhibit C; and

WHEREAS, Mortgage Solutions has failed to provide and/or respond to the Department's request for a Pipeline Report, citing Pennsylvania clients, and a written statement explaining the definition and process of a Forensic Loan Audit; and

WHEREAS, by advertising mortgage loan modification services to Pennsylvania consumers, Mortgage Solutions has engaged in the "mortgage loan business" as defined in the Mortgage Licensing Act; and

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

WHEREAS, the employees of Mortgage Solutions 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; and

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

WHEREAS, only licensees that have an advance fee bond are permitted to collect advance fees. See 7 Pa. C.S. § 6131(e)(1); and

WHEREAS, Mortgage Solutions as an unlicensed mortgage broker does not have a bond to collect advance fees; 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. § 6135(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 Solutions 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 Order, Mortgage Solutions and any and all officers, members, managers, employees, independent contractors or agents of Mortgage Solutions 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 mortgage loan modifications in Pennsylvania or to Pennsylvania consumers, unless and until such time that Mortgage Solutions and all mortgage originators as defined by the Mortgage Licensing Act are licensed by the Department pursuant to the Mortgage Licensing Act.

2. Pipeline Report. Upon the effective date of this Order, Mortgage Solutions shall provide a list of Pennsylvania consumers that Mortgage Solutions 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 Solutions 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, at _____, 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.

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

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

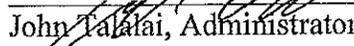
5. Advance Fees. Upon the effective date of this Order Mortgage Solutions shall refund all advance fees collected from a Pennsylvania consumer and shall cease and desist from collecting any future advance fees unless and until such time as Mortgage Solutions obtains a bond to collect advance fees pursuant to the Mortgage Licensing Act. 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, at _____, by 5:00 PM eastern time on the effective date of this Order.

6. Waiver. Nothing in this Order shall prevent Mortgage Solutions from seeking a waiver from the Department to allow Mortgage Solutions to complete a loan modification for a Pennsylvania consumer that is listed on the Pipeline Report as provided in Paragraph 2 in order to prevent further harm to the Pennsylvania consumer and for no other reason.

7. 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, Investigation and Licensing

1-10-2011
(Date)

EXHIBIT A

April 14, 2010

Redacted

It has come to our attention that you will soon have a pending FORECLOSURE filed against you and your property.

On March 4th, 2009, President Barack Obama, unveiled the \$75 billion dollar Mortgage Relief Plan. President Obama's plan is a \$75 billion dollar Homeowner Stability Initiative. This initiative would provide a set of incentives to mortgage lenders in an effort to convince them to help up to 4 million borrowers on the verge of Foreclosure. The plan is to cut monthly mortgage payments, reduce interest rates, and rescue homeowners who have Predatory or Fraudulent mortgages.

We believe your mortgage is a Predatory or Fraudulent loan that has Federal and PA State Violations. Statistics show over 90% of mortgages done between 2000 and 2008 are. If proven to be, your lender must modify your loan, eliminate all your past due payments and fees, lower your monthly payment to fit your budget, lower your interest rate, and put you back on track to succeed in your American Dream.

WE ARE NOT A LOAN MODIFICATION COMPANY, although we get you a modification. Modification Companies are no help, they charge you for what you can do yourself. This is an Investigation and Legal Audit done on your loan. These Investigations are to prove that you were a Victim of Predatory lending practices by your broker or lender.

We handle the whole process and deal directly with your lender to adjust your mortgage and get you a fresh start, the legal way. **LET US HELP YOU SAVE YOUR HOME.**

Redacted

If you want help, please call **Redacted** at **Redacted**

Mortgage Solutions for America

Case workers are available Mon/Sat (9 AM to 7 PM EST)

ARE YOU A VICTIM?

What your mortgage company doesn't want you to know!

Many loans funded during the "boom" years of 2000-2008 were performed with predatory lending practices and fraudulent violations. The majority of loans have significant State and Federal violations. Some violations include, **Interest Only Loans, Adjustable Rate Mortgages, 80/20 Purchases, Fraudulent or Stated Incomes, Fraudulent Appraisals, Inflated Points and Broker Fees**, along with several other hidden violations that borrowers don't even know about. Chances are if you refinanced or purchased a home in this time frame, your loan is either **FRAUDULENT** or **PREDATORY**. However, no matter why these violations were performed by the lender or broker, **if you're proven to be a VICTIM you aren't liable, the lender is**. These violations do carry **EXTREMELY** stiff financial penalties for the lender, and can result in **SERIOUS** legal consequences to the lender, such as forcing the lender to refund all the interest paid to date back to the borrower.

For example, let's say that over the last 2-years, you paid 40,000 dollars in interest on your mortgage that contained State or Federal Violations. The lender could be required to pay you back 40,000 dollars off your principle balance.

Foreclosures resulting from Predatory Loans or Fraudulent Mortgages are not enforceable, and are eliminated. The **FORECLOSURE PROCESS IS STOPPED** when an investigation and a Forensic Loan Audit on a questionable loan begins. Mortgage payments are **NOT** required during the foreclosure or litigation process.

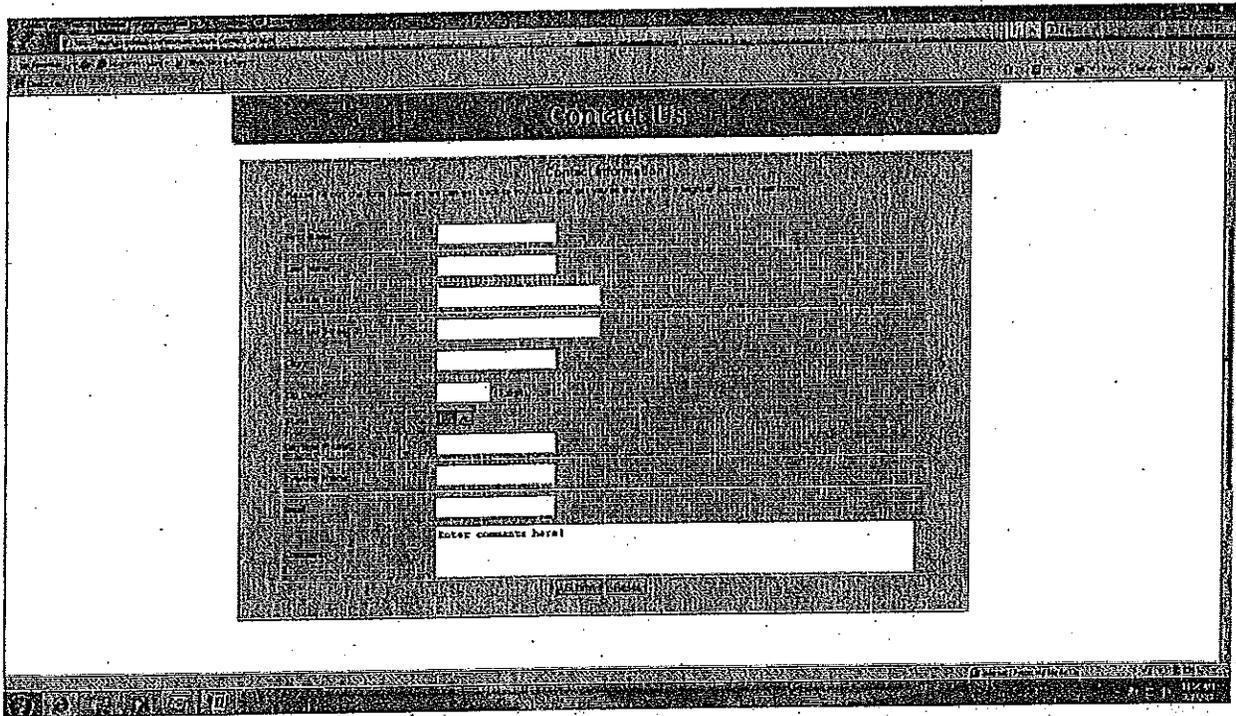
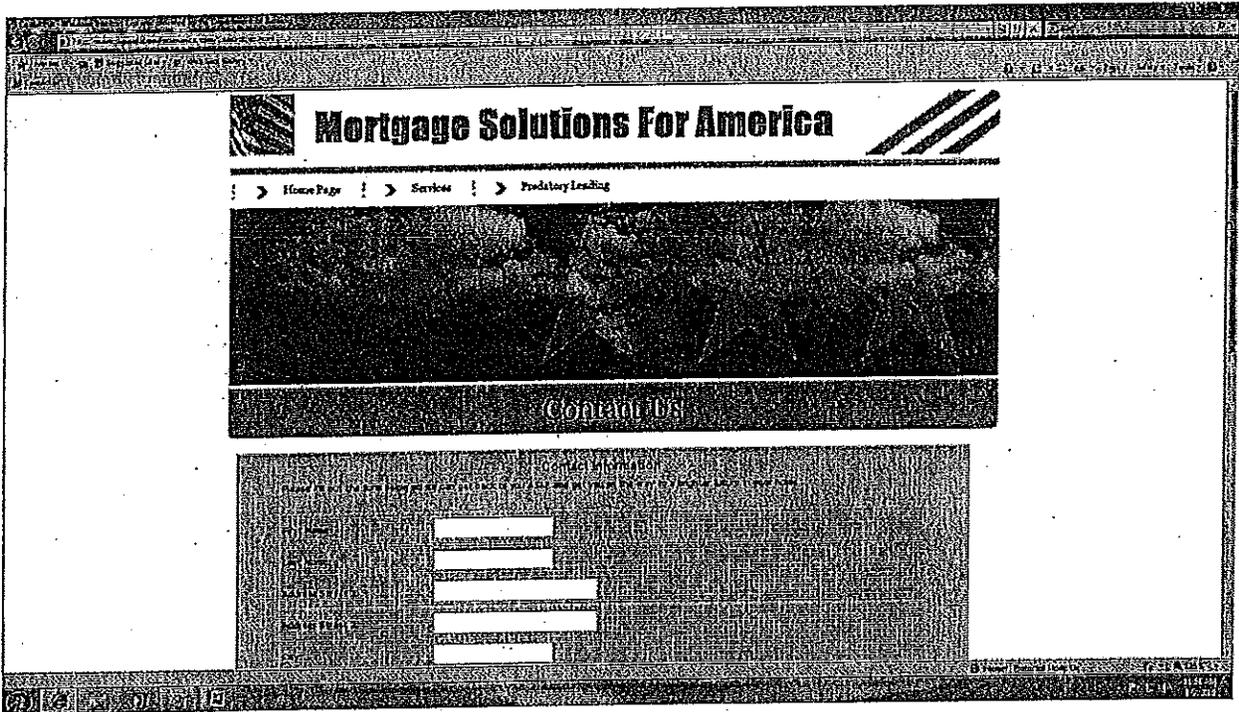
The **Only Legal Way to Prove if Your Loan is Predatory or Fraudulent** is with a Forensic Loan Audit. A Forensic Loan Audit is performed by a team of legal experts. The audit is basically an extensive and thorough examination of your loan documents that you signed when you first got your mortgage loan. These legal experts examine your loan documents for violations of State and Federal laws. Once your audit is complete, we present to you and the lender a written report. If your report comes back with violations or is a predatory loan, the lender has no choice but to modify your mortgage because the loan you have is illegal or fraudulent.

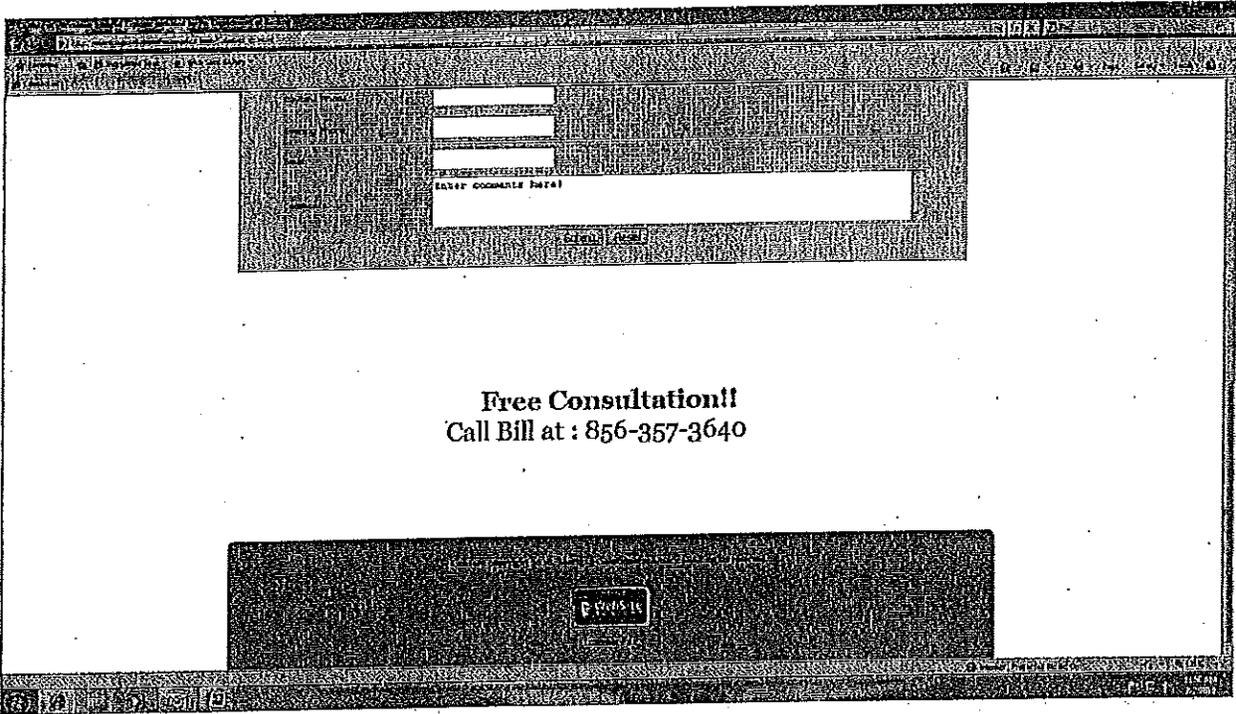
Free consultation!

Call **Redacted** at **Redacted** **Redacted**

Mortgage Solutions for America

EXHIBIT B





Free Consultation!!
Call Bill at : 856-357-3640

EXHIBIT C

Mortgage Solutions For America

[Home Page](#) | [Services](#) | [Predatory Lending](#) | [Contact Us](#)

Mission Statement

Mortgage Solutions For America is dedicated to revealing the TRUTH about deceptive and fraudulent loan practices. The truth is, millions of trusting homeowners nationwide may have experienced predatory lending when they bought or refinanced their homes.

Mortgage Solutions For America is a leading authority in the forensic auditing industry. FR4A uses state of the art techniques to find fraudulent actions that may have occurred when your broker and/or lender created your mortgage contract. We dedicate our experience and resources to discover the predatory lending practices of unscrupulous lenders. Our auditing team and dedicated specialists have successfully worked with many leading banks and lending institutions to get the results our

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With headquarters located in New Jersey, and affiliates nationwide, our number one priority is to help homeowners and their families obtain the very best modification they qualify for. FR4A's dedicated staff will make every effort and use every available resource to give our customers a FRESH START with a new monthly payment they can AFFORD.

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Free Consultation!!
Call Bill at : 856-357-3640

GoSite



Mortgage Solutions For America



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Services

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Know Your Legal Rights!!

**Call Bill at 856-357-3640
for your FREE Consultation
Or visit our [Contact Us](#) page
so we can help immediately**



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v.

MORTGAGE SOLUTIONS FOR AMERICA

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Order upon the parties below, who constitute the only parties of record in this proceeding, in accordance with the requirements of 1 Pa. Code §§ 33.35, 33.36 and 33.37:

BY CERTIFIED AND FIRST CLASS MAIL

Bill Juliano
Mortgage Solutions for America
25 Cedar Croft Road
Gibbsboro, NJ 08026

Dated this 10th day of January, 2011.

Lauren A. Sassani
Assistant Counsel
Attorney I.D. # 203016
FOR: Commonwealth of Pennsylvania
Department of Banking
17 North Second Street, Suite 1300
Harrisburg, PA 17101
(717) 787-1471