



3. New Penn is licensed as a mortgage lender under the Mortgage Licensing Act with license number 20434 and a Nationwide Mortgage Licensing System and Registry registration number of 3013.

4. New Penn maintains its principal place of business at 4000 Chemical Road, Suite 200, Plymouth Meeting, Pennsylvania 19462.

5. New Penn cooperated fully with the investigation and provided all the necessary information requested in a timely fashion to the Department.

#### Unlicensed Mortgage Originators

6. The Mortgage Licensing Act provides, in relevant part, that “. . . on and after the effective date of this section [November 5, 2008], no person shall engage in the mortgage loan business in this Commonwealth without being licensed as a . . . 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).

7. Beginning August 12, 2009, the Bureau conducted an examination of New Penn at which time it noted unlicensed loan origination despite New Penn’s policies and procedures to prevent such activity. The Bureau of Examination instructed New Penn on the need for originators to have Pennsylvania licenses and provided a letter to New Penn stating that violations or exceptions noted during the examination were corrected during the examination.

8. Beginning on December 23, 2010 the Bureau conducted an investigation of New Penn wherein it was determined that New Penn had, despite the instruction of the Examiner the previous year and New Penn’s controls, originated mortgages through employees unlicensed to perform such services.

9. The Bureau believes that there were twenty eight (28) instances of unlicensed loan origination activity resulting in one closed loan for the period beginning August 13, 2009 through December 22, 2010, based on a loan application log of 14,165 applications obtained from New Penn pursuant to the Bureau's investigation.

10. It is the conclusion of the Bureau that the mortgage loan applications originated by New Penn subsequent to November 5, 2008 through the unlicensed individuals are in violation of the Mortgage Licensing Act.

11. New Penn is required to directly supervise, control and maintain responsibility for the acts and omissions of the mortgage originators it employs. 7 Pa. C.S. § 6131(f)(1).

12. It is the conclusion of the Bureau that for the time period referenced in Section 9 of this Order New Penn failed to prevent all unlicensed mortgage loan origination activity by the mortgage originators it employed as required by the Mortgage Licensing Act.

#### Authority of the Department

13. Section 6138(a)(4) of the Mortgage Licensing Act grants the Department broad authority to issue orders for the proper conduct of the mortgage licensing business and the enforcement of the Mortgage Licensing Act. 7 Pa. C.S. § 6138(a)(4).

14. Section 6139 of the Mortgage Licensing Act provides that the Department may suspend, revoke or refuse to renew a license issued under the Mortgage Licensing Act if an owner has "failed to comply with or violated any provision of this chapter. . . ." and if "a mortgage broker, mortgage lender or mortgage loan correspondent, conducted the mortgage loan business through an unlicensed mortgage originator." 7 Pa. C.S. § 6139(a)(2) and (a)(14).

15. 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).

#### ALLEGED VIOLATIONS

16. The Bureau believes New Penn violated the license requirements of the Mortgage Licensing Act when it conducted the mortgage loan business through unlicensed mortgage originators after August 12, 2009, in violation of the Mortgage Licensing Act. 7 Pa. C.S. § 6111(a); 7 Pa. C.S. § 6131(f)(1).

#### RELIEF

17. Fine. New Penn, to avoid litigation and without admitting wrongdoing, agrees to pay a fine of \$21,000.00 which shall be due and payable to the Department within 30 days of the effective date as described in paragraph 24. The fine payment shall be remitted by a certified check or money order made payable to the Pennsylvania Department of Banking and sent to the attention of Compliance Division, Bureau of Compliance, Investigation and Licensing, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

18. Corrective Measures. Upon the effective date of this Order, New Penn shall cease and desist from conducting the mortgage loan business through unlicensed mortgage originators and shall properly control and supervise its employees in accordance with the requirements of the Mortgage Licensing Act.

#### FURTHER PROVISIONS

19. Consent. New Penn hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order issued 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. New Penn, 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.

20. 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)

21. 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 New Penn.

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

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

24. Effectiveness. New Penn hereby stipulates and agrees that the Order shall become effective on the date the Bureau executes the Order.

25. 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 New Penn, in the future regarding all matters not resolved by this Order.

b. New Penn 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.

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

27. Counterparts. This order may be executed in separate counterparts and by facsimile or electronic mail in portable document format "pdf."

28. 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 New Penn 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**

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Ryan M. Walsh, Enforcement Administrator  
Bureau of Compliance, Investigation and Licensing  
Department of Banking

Date: March 1, 2011

**FOR NEW PENN FINANCIAL, LLC**

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

\_\_\_\_\_  
(Print Officer Name)

VP Operations  
(Title)

Date: 2/24/11