

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING

FILED

2011 JUL 12 PM 2:52

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

PA DEPT OF BANKING

Docket No. 11 0035 (ENF-~~CO~~)<sup>ORD</sup>

v.

RALPH B. SEYMOUR,  
REVERSE MORTGAGE LENDERS  
ORGANIZATION, LLC, and  
HELP SENIOR HOMEOWNERS A  
NON-PROFIT COUNSELING  
SERVICE, INC.,  
jointly and severally

**CONSENT AGREEMENT AND ORDER**

The Commonwealth of Pennsylvania, through the Department of Banking's (the "Department") Bureau of Compliance, Investigation and Licensing (the "Bureau"), based on information obtained through an investigation, believes that Ralph B. Seymour, Reverse Mortgage Lenders Organization, LLC ("Reverse Mortgage Lenders"), and Help Senior Homeowners A Non-Profit Counseling Service, Inc. ("Help Senior Homeowners") (collectively "Respondents") 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 (the "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 Bureau is primarily responsible for administering and enforcing the Mortgage Licensing Act for the Department.

3. Ralph B. Seymour was or is the owner and manager of Reverse Mortgage Lenders and Help Senior Homeowners.

4. Reverse Mortgage Lenders is a for-profit limited liability company with a principal place of business located at 411B 3<sup>rd</sup> Street South, Jacksonville Beach, Florida 32250.

5. Help Senior Homeowners is, allegedly, a non-profit corporation with a principal place of business located at 3787 Palm Valley Road, Suite 102, Pointe Vedra Beach, Florida 32082.

6. Respondents are not licensed by the Pennsylvania Department of Banking to engage in the mortgage loan business in Pennsylvania.

7. Respondents advertised reverse mortgages or reverse mortgage consulting to older citizens through various websites including [www.reversemortgagelenders.org](http://www.reversemortgagelenders.org); [www.helpseniorhomeowners.org](http://www.helpseniorhomeowners.org); [www.hudreversemortgage.org](http://www.hudreversemortgage.org); and [www.PennsylvaniaReverseMortgage.org](http://www.PennsylvaniaReverseMortgage.org).

8. Respondents used patriotic symbols such as the Statue of Liberty, American Bald Eagle and the American Flag; and use of phrases, including but not limited to, "Free Public Service" and "Reverse Mortgages are a Safe Government Program Guaranteed by HUD and Insured by FHA" on its websites.

9. Respondents provided no services directly, but rather collected information about interested consumers through the aforementioned websites and provided that information to third party lenders for a fee.

## ALLEGED VIOLATIONS

10. The Mortgage Licensing Act defines the mortgage loan business to include “[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.

11. 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).

12. It is the Bureau’s position that by advertising to and collecting information from consumers in Pennsylvania, the Respondents engaged in solicitation in the mortgage loan business without a license in violation of the Mortgage Licensing Act. 7 Pa.C.S. §§ 6101; 6111.

13. It is the Bureau’s position that Respondents engaged in false, misleading, or deceptive advertising in violation of section 6123(3) of the Mortgage Licensing Act because of the use of patriotic symbols which implied that the websites are run by a government program for the benefit of senior citizens, and not a website offered by Respondents for their own gain. 7 Pa.C.S. § 6123(3).

14. It is the Bureau’s position that Respondents engaged in false, misleading or deceptive advertising in violation of section 6123 (3) of the Mortgage Licensing Act because the Respondents’ websites do not plainly disclose to prospective borrowers that Respondents use the website to collect information from prospective borrowers’ for the sole purpose of selling that information to lenders, and erroneously suggesting that they do not receive compensation by

stating “[w]e do not participate in the loan process or *receive any compensation, of any kind, for closed loans.*” (emphasis added)

15. It is the Bureau’s position that Respondents engaged in the mortgage loan business in violation of the Mortgage Licensing Act by failing to obtain a bond or file an annual report. 7 Pa. C.S. § 6120 (11).

### **RESPONDENTS’ POSITION**

16. It is the position of Respondents that they were not in violation of the Mortgage Licensing Act because their activities encompassed only lead generation and not loan origination and, therefore, no license was required.

17. It is the position of Respondents that they acted in compliance with RESPA by providing a given consumers information to only one HUD approved lender and was paid a fee by the lender regardless of whether a loan based on the lead closed.

18. Respondent alleges it has ceased all operation of its questionable websites in and for Pennsylvania.

### Authority of the Department

19. 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).

20. Section 6138(b)) of the Mortgage Licensing Act grants the Department authority to maintain an action for injunction or other process against a person to restrain and prevent the person from engaging in an activity violating this chapter.

21. 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 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(a).

### RELIEF

22. Website. Respondents shall cease and desist from operating any website, directly or through an affiliate, in or for Pennsylvania or Pennsylvanians, in order to collect consumer information for the purpose of soliciting or originating a mortgage loan for itself or any other lender or broker, or otherwise engaging in the mortgage business as defined by the Mortgage Licensing Act, without a license.

### FURTHER PROVISIONS

23. Consent. Ralph B. Seymour, Reverse Mortgage Lenders and Help Senior Homeowners hereby knowingly, willingly, voluntarily and irrevocably consent to the entry of this Order pursuant to the Bureau’s order authority under the Mortgage Licensing Act and agree that they understand all of the terms and conditions contained therein. Respondents, by voluntarily entering into this Order, waive any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order. This Order represents the final resolution of the Department’s investigation of Respondents and evidences the Department’s agreement that no other fines, remedies, proceedings or actions shall be commenced, asserted or directed against Respondents as a result of the investigation.

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 Respondents.

26. Binding Nature. The Department and Respondents 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. Respondents hereby stipulate and agree that the Order shall become effective on the date that the Bureau executes the Order.

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 Respondents in the future regarding all matters not resolved by this Order.

b. Respondents acknowledge and agree 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.

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

31. Counterparts. This Order may be executed in separate counterparts and by facsimile or electronic mail in portable document format "PDF."

32. 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, Ralph B. Seymour, Reverse Mortgage Lenders Organization, LLC and Help Senior



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

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

    *L.A.*      
(Title)

Date:     *1 May 2011*    

FOR RALPH B. SEYMOUR

\_\_\_\_\_  
Date:     *1 May 2011*