

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

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

v.

TRINITY MORTGAGE COMPANY, INC.

PA DEPT OF BANKING
Docket No. 11 0162 (ENF-CO)

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"), Bureau of Examinations, conducted an examination of Trinity Mortgage Company ("Trinity Mortgage"), and its officers, employees and directors. Based on the results of the examination, the Bureau of Compliance, Investigation and Licensing ("Bureau") believes that Trinity Mortgage 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. Effective as of December 20, 2008, the Department promulgated a regulation under the Mortgage Licensing Act known as the Proper Conduct of Lending and Brokering in the Mortgage Loan Business ("Proper Conduct Regulation"). 10 Pa. Code § 46.1 et seq.

4. The Bureau is primarily responsible for administering and enforcing the Mortgage Licensing Act and the Proper Conduct Regulation for the Department.

5. Trinity Mortgage is currently licensed under the Mortgage Licensing Act as a mortgage broker, with license number 22662 and with the National Mortgage Licensing System Registry ("NMLSR") identification number of 144198.

6. Trinity Mortgage maintains its principal place of business at 171 W. Lancaster Avenue, Paoli, Pennsylvania 19301.

7. On or around October 7, 2010, the Bureau conducted an examination ("Examination") of Trinity Mortgage at its principal place of business.

Federal Law

8. The exam revealed that Trinity Mortgage did not comply with some of the requirements of federal law related to the mortgage loan business.

9. During the examination, the Bureau reviewed four (4) closed first mortgage loans ("closed loan files") and ten (10) withdrawn/denied loans ("withdrawn/denied loan files").

10. In the closed files, Trinity Mortgage did not complete the Credit Score Notice and then provide that notice to its consumers as required by the Fair Credit Reporting Act as amended by the Fair and Accurate Credit Transactions Act. Fair Credit Reporting Act, 15 U.S.C. § 1681g(a) as amended by the Fair and Accurate Credit Transactions Act §212c, P.L. 108-159 (December 4, 2003).

11. In the closed files, Trinity Mortgage did not provide consumers with an affiliated business disclosure regarding Trinity Mortgage's affiliation with the title company, Paoli Abstract Company. Real Estate Procedures Act ("RESPA"), 12 U.S.C. § 2601, et seq., Regulation X, 24 C.F.R. § 3500.15(b)(1)(i).

12. In the closed files, Trinity Mortgage did not disclose the Yield Spread Premium on the Good Faith Estimate to the consumer as required by Regulation X of the RESPA. RESPA, 12 U.S.C. § 2601, et seq., Regulation X, 24 C.F.R. § 3500.15(c)(2).

13. The Mortgage Licensing Act requires licensees to comply with all applicable federal law. 7 Pa. C.S. § 6121(3).

Pennsylvania Consumer Disclosure Form

14. The Examination revealed that Trinity Mortgage did not consistently provide applicants with a properly completed Pennsylvania Consumer Disclosure Form ("Disclosure Form") and maintain the executed disclosure form in the applicant's loan file.

15. A violation of the Proper Conduct Regulation is a violation of the Mortgage Licensing Act. 10 Pa. Code § 46.3(a).

16. The Proper Conduct Regulation requires that Trinity Mortgage, as a licensee, issue a disclosure form to applicants. 10 Pa. Code § 46.2(b).

17. In order for a disclosure form to be complete, the Proper Conduct Regulations require that it contain the signature(s) of the borrower(s); the date the borrower(s) signed the disclosure; the licensee's name; and the date of issuance by the licensee. 10 Pa. Code § 46.2(c).

18. The closed loan files and withdrawn/denied loan files did not contain the disclosure form.

19. The Proper Conduct Regulation further required Trinity Mortgage to maintain a completed original disclosure form in the applicant's loan file. 10 Pa. Code § 46.2(e).

Authority of the Department

20. 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).

21. The Mortgage Licensing Act permits the Department to suspend, revoke or refuse to renew a license of a licensee where that licensee "failed to comply with or violated any provision of this chapter or any regulation or order promulgated or issued by the department under this chapter." 7 Pa. C.S. § 6139(a)(2).

22. 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

23. Trinity Mortgage violated the Mortgage Licensing Act when it did not comply with the federal law applicable to mortgage lending. 7 Pa. C.S. § 6121(3).

24. Trinity Mortgage violated the Proper Conduct Regulation, and therefore, the Mortgage Licensing Act, when it did not complete the disclosure form. 10 Pa. Code § 46.2(e).

RELIEF

25. Fine. Trinity Mortgage agrees to pay a fine of two thousand five hundred dollars (\$2,500) 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.

26. Corrective Measures. Upon the Effective Date of the Order, Trinity Mortgage shall provide every applicant with a fully completed Pennsylvania Consumer Disclosure Form and adhere to all the requirements of the Proper Conduct Regulation.

FURTHER PROVISIONS

27. Consent. Trinity Mortgage 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. Trinity Mortgage, 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.

28. 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).

29. 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 Trinity Mortgage.

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

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

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

33. 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 Trinity Mortgage in the future regarding all matters not resolved by this Order.

b. Trinity Mortgage 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 Trinity Mortgage Company, 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**

J. [Signature]
Department of Banking
Bureau of Compliance, Investigation and Licensing

Date: 10/13/11

FOR TRINITY MORTGAGE COMPANY, INC.

[Signature]
(Officer Signature)

[Signature]
(Print Officer Name)

(Title)

Date: 10/7/2011