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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

PA DEPT OF BANKING

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

v.

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: Docket No. 12 0059 (ENF-CO)
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BARRON MORTGAGE CORP.

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"). Bureau of Examinations has conducted a routine examination of Barron Mortgage Corp. ("Barron Mortgage") and its officers, employees and directors. Based on the results of its review, the Bureau of Compliance and Licensing ("Bureau") concluded that Barron Mortgage operated in violation of the Mortgage Licensing Act ("MLA"), 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

- The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the MLA.
- The Bureau is primarily responsible for administering and enforcing the MLA for the Department.

3. Barron Mortgage is a corporation that engages in the mortgage loan business in Pennsylvania as a mortgage lender.

4. Barron Mortgage is licensed by the Department as a mortgage broker, Nationwide Mortgage Licensing System and Registry Identification No. 51008, Pennsylvania Mortgage Broker License No. 21565.

5. Barron Mortgage's principal place of business is located at 138 Freeport Road, Suite 105, Pittsburgh, PA 15238.

6. On March 18, 2011 an examiner from the Bureau of Examinations commenced a routine compliance examination of Barron Mortgage upon which the Bureau's position is based.

7. The purpose of this Order is to resolve the outstanding issues resulting from the March 18, 2011 examination.

VIOLATIONS

Unlicensed Mortgage Originators

8. The MLA provides, in relevant part, that "on and after the effective date of this section [(i.e., November 5, 2008)], 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).

9. The MLA prohibits a mortgage broker from conducting mortgage loan business through an unlicensed mortgage originator. See 7 Pa. C.S. § 6139(a)(14).

10. The examination revealed that Barron Mortgage originated five (5) mortgage loans through two (2) mortgage originators who were not licensed pursuant to the MLA.

AUTHORITY

11. The Department has authority to issue orders as may be necessary for the proper conduct of the mortgage loan business by licensees and the enforcement of the MLA. *See* 7 Pa. C.S. § 6138(a)(4).

12. The Department has the authority to suspend, revoke or refuse to renew a license if a licensee has failed to comply with or violated any provision of the MLA. *See* 7 Pa. C.S. § 6139(a)(2).

13. The Department may fine a person that commits any action which would subject the licensee to suspension, revocation or nonrenewal under 7 Pa. C.S. § 6139 up to \$10,000 per offense. *See* 7 Pa. C.S. § 6140(b).

RELIEF

14. Fine. Barron Mortgage agrees to pay a fine of one thousand two hundred fifty dollars (\$1,250.00).

15. Examination Bill. Barron Mortgage agrees to pay an examination bill of one thousand four hundred eighty-four dollars and sixty-eight cents (\$1,484.68).

16. Payment Schedule. Barron Mortgage agrees to pay to the Department a total of two thousand, seven hundred, thirty-four dollars and sixty-eight cents (\$2,734.68) for the fine and examination bill, over six (6) consecutive months beginning within thirty (30) days of the Effective Date of this Order. The payment schedule will be as follows: Payment 1 = \$494.90; Payment 2 = \$494.90; Payment 3 = \$494.88; Payment 4 = \$450.00; Payment 5 = \$400.00; and

Payment 6 = \$400.00. Fine payments 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, Non-Depository Institutions, Bureau of Compliance and Licensing, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101. If Barron Mortgage is late on any payment, the Department has the right to immediately suspend or deny renewal of its license.

17. Corrective Action. Upon the Effective Date of this Order, Barron Mortgage shall ensure that all mortgage loans are originated by licensed mortgage loan originators.

FURTHER PROVISIONS

18. Consent. Barron Mortgage hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's order authority under the MLA and agrees that it understands all of the terms and conditions contained therein. Barron 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.

19. Publication. The Department will publish this Order pursuant to its authority in Section 302.A(5) of the Department of Banking Code. See 71 P.S. § 733-302.A(5).

20. 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 Barron Mortgage.

21. Binding Nature. The Department and Barron Mortgage intend to be and are legally bound by the terms of this Order.

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

23. Effectiveness. Barron Mortgage hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order.

24. 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 Barron Mortgage, in the future regarding all matters not resolved by this Order.

b. Barron 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.

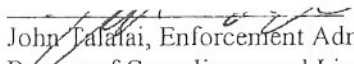
25. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

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

27. 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 Commonwealth of Pennsylvania, Department of Banking, Bureau of Compliance and Licensing and Barron Mortgage Corp. intending to be legally bound, do hereby execute this Consent Agreement and Order.

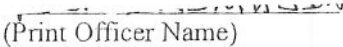
FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING, BUREAU OF
COMPLIANCE AND LICENSING


John Lalafai, Enforcement Administrator
Bureau of Compliance and Licensing
Department of Banking

Date: 6/20/12

FOR BARRON MORTGAGE CORP.


(Officer Signature)


(Print Officer Name)

RESIDENT
(Title)

Date: 6/19/12