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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. 120053 (ENF-CO)
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CORRIDOR MORTGAGE GROUP, INC.

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"), Bureau of Examinations has conducted an examination of Corridor Mortgage Group, Inc. ("Corridor Mortgage Group") and its officers, employees and directors. Based on the results of its review, the Bureau of Compliance and Licensing ("Bureau") alleges that Corridor Mortgage Group 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, 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 MLA.
2. The Bureau is primarily responsible for administering and enforcing the MLA for the Department.
3. Corridor Mortgage Group is a corporation that engages in the mortgage loan business in Pennsylvania as mortgage lender.

4. Corridor Mortgage Group is licensed by the Department as a mortgage lender, Nationwide Mortgage Licensing System and Registry Identification No. 111979, Mortgage Lender License No. 20847.

5. Corridor Mortgage Group's principal place of business is located at 11085 Stratfield Court, Marriottsville, MD 21104.

6. In addition, Corridor Mortgage Group has three (3) branches licensed and one (1) branch pending licensure by the Department.

7. On December 14, 2011, an examiner from the Bureau of Examinations commenced a routine compliance examination of Corridor Mortgage Group upon which the Bureau's position is based.

8. Corridor Mortgage Group cooperated fully with the Department during the Examination process.

9. Corridor Mortgage Group's execution of this Order and adherence to its terms is not an admission of wrongdoing by Corridor Mortgage Group.

10. The purpose of this Order is to resolve the outstanding issues resulting from the December 14, 2011 examination.

VIOLATIONS

Unlicensed Mortgage Originators

11. 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).

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

13. The examination revealed that Corridor Mortgage Group originated four (4) mortgage loans through four (4) mortgage originators who were not licensed pursuant to the MLA.

Unlicensed Branch Locations

14. Section 6131(f)(2) of the MLA states that “[a] mortgage originator shall . . . be assigned to and work out of a licensed location of the employer licensee or a location of an employer person excepted from this chapter or excepted from licensure under section 6112.” 7 Pa. C.S. § 6131(f)(2).

15. The MLA defines a “branch” as “[a]n office or other place of business other than the principal place of business, where a person engages in the mortgage loan business subject to this chapter.” 7 Pa. C.S. § 6102.

16. Corridor Mortgage Group maintains two (2) branch offices located at 421 South Main Street, Bel Air, MD 21014 and 129 West Patrick Street, Suite 8, Frederick, MD 21701.

17. Neither the Bel Air nor the Fredrick office locations are currently licensed in Pennsylvania as branch offices of Corridor Mortgage Group.

18. The examination revealed that mortgage loans were originated for Pennsylvania borrowers at both branch office locations.

Pennsylvania Consumer Disclosure Forms

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

20. 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), (e).

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

22. A violation of the Proper Conduct Regulation is a violation of the MLA. 10 Pa. Code § 46.3(a).

23. The examination revealed, in numerous instances, that Corridor Mortgage Group did not provide the disclosure form within three (3) days and/or the disclosure form was not provided or blank in the mortgage file.

24. Corridor Mortgage Group has indicated that it has implemented a quality control check that has been implemented to ensure that disclosures are generated and mailed within the timeframes required by the Proper Conduct Regulations.

AUTHORITY

25. 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. 7 Pa. C.S. § 6138(a)(4).

26. 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. 7 Pa. C.S. § 6139(a)(2).

27. 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. 7 Pa. C.S. § 6140(b).

RELIEF

28. Fine. Corridor Mortgage Group agrees to pay a fine of two thousand dollars (\$2,000) 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, Non-Depository Institutions, Bureau of Compliance and Licensing, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

29. Corrective Action. Upon the Effective Date of this Order, Corridor Mortgage Group shall ensure that all mortgage loans are originated by licensed mortgage loan originators; all branch office locations are properly identified and licensed; all borrowers are provided the required Pennsylvania Consumer Disclosure Form.

FURTHER PROVISIONS

30. Consent. Corridor Mortgage Group 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. Corridor Mortgage Group, 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.

31. 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).

32. 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 Corridor Mortgage Group.

33. Binding Nature. The Department and Corridor Mortgage Group intend to be and are legally bound by the terms of this Order.

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

35. Effectiveness. Corridor Mortgage Group hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order.

36. 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 Corridor Mortgage Group, in the future regarding all matters not resolved by this Order.

b. Corridor Mortgage Group 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.

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

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

