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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING

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PA DEPT OF BANKING

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

v.

JP MORTGAGE LENDING, LLC

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Docket No. 12 0101 (ENF-CO)

**CONSENT AGREEMENT AND ORDER**

The Commonwealth of Pennsylvania, acting through the Department of Banking (“Department”), Bureau of Non-Depository Examinations, has conducted an examination of JP Mortgage Lending, LLC (“JP Mortgage”), and its officers, employees and directors. Based on the results of the examination, the Bureau of Compliance and Licensing (“Bureau”) concluded that JP Mortgage operated in violation of the Mortgage Licensing Act, 7 Pa. C.S. § 6101 *et seq.* and the regulations entitled “Proper Conduct of Lending and Brokering in the Mortgage Loan Business,” 10 Pa. Code § 46.1 *et seq.* (“Regulations”). 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 Bureau is primarily responsible for administering and enforcing the Mortgage Licensing Act for the Department.

3. JP Mortgage is a mortgage broker with its principal place of business located at 411 Wayne Street, Hollidaysburg, Pennsylvania 16648.

4. JP Mortgage is licensed by the Department as a mortgage broker, license number 20419, Nationwide Mortgage Licensing System and Registry Identification Number ("NMLS") 132090.

5. On or around September 7, 2010 the Department commenced an examination of JP Mortgage at the Hollidaysburg location.

6. During the examination, the examiner ascertained that JP Mortgage employs one mortgage originator.

7. As a mortgage broker, JP Mortgage must "[m]aintain supervision and control of and responsibility for the acts and omissions" of the mortgage originator that it employs. 7 Pa. C.S. § 6121(13).

8. The examiner reviewed JP Mortgage's files reflecting 29% of the brokered first mortgage transactions and 48% of the withdrawn and denied mortgage files from January 1, 2008 through August 31, 2010.

9. Based on the review, the examiner found several violations of the Mortgage Licensing Act and the Regulations as set forth below.

## VIOLATIONS

### Improperly Influence Appraiser

10. The examiner found that in seven of the mortgage loan files reviewed, the mortgage originator made comments in the "notes" section of the appraisal request forms that expressly suggested or requested that the appraisers she retained find a specific value for the properties when conducting the appraisal.

11. The Regulations provide that, “[a] licensee may not...[i]mproperly influence, or attempt to improperly influence...[a]n appraiser by committing any act . . . that is intended to...[e]nsure that an appraisal matches a requested or target value.” 10 Pa. Code § 46.2(j)(8)(i)(B).

12. By allowing its mortgage originator to suggest or request that the appraisers find specific values for the properties that they were being hired to appraise, JP Mortgage violated 10 Pa. Code § 46.2(j)(8)(i)(B).

#### Failure to Disclose Unique Identifier

13. The examiner found that the mortgage originator did not display her NMLS number on her business cards, the website or in her brochures, flyers and other advertisements.

14. Mortgage originators must clearly display their “unique identifier on all mortgage loan application forms and personal solicitations or advertisements, including business cards.” *See* 7 Pa. C.S. § 6121(14); *see also* 7 Pa. C.S. § 6135(a)(5).

15. By failing to ensure that its mortgage originator displayed her NMLS number on her business cards, brochures, flyers and website, JP Mortgage violated Sections 6121(14) and 6135(a)(5) of the Mortgage Licensing Act.

#### Failure to Disclose Licensure

16. The examiner found that the mortgage originator did not disclose that she is licensed by the Department on her business cards.

17. The Mortgage Licensing Act requires each licensee to “include *in all advertisements* language indicating that the licensee is licensed by the department.” 7 Pa. C.S. 6135(a)(5) (emphasis added).

18. By failing to require its mortgage originator to disclose on her business cards that she is licensed by the Department, JP Mortgage violated Section 6135(a)(5) of the Mortgage Licensing Act.

#### **AUTHORITY**

19. The Department has the authority to issue orders for the proper conduct of the mortgage loan business by licensees and to enforce the Mortgage Licensing Act. 7 Pa. C.S. § 6138(a)(4).

20. The Department has the authority fine a licensee “up to \$10,000” for each violation of the Mortgage Licensing Act and Regulations issued by the Department. 7 Pa. C.S. §§ 6140(b), 6139(a)(2).

#### **RELIEF**

21. Corrective Action. Upon the effective date of this Order, as defined in Paragraph 28, JP Mortgage shall:

- a. Cease and desist from permitting its mortgage originators to improperly influence or attempt to improperly influence appraisers by committing an act or omission to ensure that an appraisal matches a requested or target value including, but not limited to, setting forth a requested value in any appraisal request form sent to an appraiser.
- b. Ensure that its mortgage originators’ NMLS numbers are displayed on the mortgage applications and on any personal solicitation or advertisements used by the originators including business cards.
- c. Ensure that its mortgage originators’ business cards provide that the originators are licensed by the Department.

22. Fine. Within 30 days of the Effective Date of this Order, JP Mortgage shall pay a \$2,750 fine for the violations of the Mortgage Licensing Act and Regulations set forth above. Payment shall be made by certified check or money order payable to the "Pennsylvania Department of Banking." The payment shall be mailed or delivered to the attention of the Compliance Division of the Bureau of Compliance and Licensing, 17 N. Second Street, Suite 1300, Harrisburg, Pennsylvania 17101.

#### FURTHER PROVISIONS

23. Consent. JP Mortgage 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. JP 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.

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 is 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 JP Mortgage.

26. Binding Nature. The Department, JP Mortgage and all of its officers, owners, directors, and employees, intend to be and are legally bound by the terms of this Order.

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

28. Effectiveness. JP Mortgage hereby stipulates and agrees that the Order shall become effective on the date the Bureau executes the Order (“Effective Date”).

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

b. JP Mortgage acknowledges and agrees that this Order is only binding upon the Department and not 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.

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 Commonwealth of Pennsylvania, Department of Banking, Bureau of Compliance and Licensing and JP Mortgage Lending, LLC, 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**

Kucy Cortez, Enforcement Administrator  
Bureau of Compliance and Licensing  
Department of Banking

Date: 1/4/12

**JP MORTGAGE LENDING, LLC**

[Signature]  
(Officer Signature)

(Print Officer Name)  
President  
(Title)

Date: 12/29/11