

4. Provident Funding Group, Inc. was licensed by the Department as a mortgage lender, license no. 20418.

5. Provident Funding Associates, LP applied for, but was never licensed by the Department.

6. Provident Funding Group, Inc. and Provident Funding Associates, LP's principal place of business is 851 Traeger Avenue, Suite 100 San Bruno, California 94010.

7. Provident Funding Group, Inc. and Provident Funding Associates are closely affiliated entities, sharing common owners, employees, work locations and nature of business.

8. On May 6, 2011, the Bureau of Examinations commenced an examination of Provident Funding Group, Inc.

9. Given the result of the examination, the Bureau commenced an investigation of Provident on November 10, 2010.

Advertising: Required Language

10. Provident Funding Group, Inc. maintains the following websites: www.provident.com; pflans.provident.com; clp.provident.com.

11. The Bureau alleges that Provident Funding Group, Inc. did not state on its website that it is licensed by the Department of Banking as required by the Mortgage Licensing Act.

12. Section 6135(a)(5) of the Mortgage Licensing Act provides, in relevant part, that "each licensee shall include in all advertisements language indicating that the licensee is licensed by the department." 7 Pa. C.S. § 6135(a)(5).

Unique Identifier Missing from Applications

13. The Bureau alleges that Provident Funding Group, Inc. did not display its mortgage originators' National Mortgage Licensing System unique identifier numbers on mortgage loan applications.

14. Section 6121(14) of the Mortgage Licensing Act requires that "in the case of a mortgage originator, clearly display the mortgage originator's unique identifier on all mortgage loan application forms and personal solicitations or advertisements, including business cards." 7 Pa. C.S. § 6121(14).

Unlicensed Activity

15. The Bureau alleges that Provident Funding Group, Inc. accepted mortgage loans from unlicensed mortgage brokers and an unlicensed mortgage loan correspondent.

16. The Bureau further alleges that unlicensed mortgage originators employed by Provident Funding Group, Inc. originated mortgage loans while unlicensed to do so.

17. The Mortgage Licensing Act provides, in relevant part, that ". . . on and after the effective date of this section [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).

Unlicensed Activity

18. The Bureau alleges that Provident Funding Associates, LP originated mortgage loans from Provident Funding Group, Inc.'s licensed branch location in Pennsylvania, for properties located outside Pennsylvania, while unlicensed as a mortgage broker in violation of the Mortgage Licensing Act.

19. The Mortgage Licensing Act provides, in relevant part, that “. . . on and after the effective date of this section [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).

Authority of the Department

20. 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).

21. 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).

RELIEF

22. Fine. Within 30 days of the effective date of this Order as defined in paragraph 28 below, Provident Funding Group, Inc. and Provident Funding Associates, LP, jointly and severally, shall pay the Department a fine in the amount of \$18,750. Payments shall be remitted by certified check or money order made payable to the Department of Banking. The fine payment shall be sent to the attention of: Non-Depository Institutions, Bureau of Compliance and Licensing, Department of Banking, 17 North Second Street, Suite 1300, Harrisburg, PA 17101.

23. Corrective Action. Upon the effective date of this Order, Provident shall cease and desist from violating the Mortgage Licensing Act and related regulations by ensuring that all advertising displays the required licensing language; all applications display the mortgage originator NMLS identifiers; and apply for and maintain all required licenses pertaining to mortgage origination.

FURTHER PROVISIONS

24. Consent. Provident 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 agrees that it understands all of the terms and conditions contained therein. Provident, 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 examination and investigation of Provident, and evidences the Department's agreement that no other fines, remedies, proceedings or actions shall be commenced, asserted or directed against Provident as a result of the examination.

25. 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).

26. 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 Provident.

27. Binding Nature. The Department and Provident intends to be and are legally bound by the terms of this Order.

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

29. Effectiveness. Provident hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order.

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

b. Provident 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.

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

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

33. 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, Provident Funding Group, Inc. and Provident Funding Associates, LP, 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 Valafai, Enforcement Administrator
Bureau of Compliance and Licensing
Department of Banking

Date: 3-9-2012

FOR PROVIDENT FUNDING GROUP, INC.

(Officer Signature) _____

(Print Officer Name) _____

CHIEF FINANCIAL OFFICER
(Title)

Date: 3/8/12

PROVIDENT FUNDING ASSOCIATES, LP

(Officer Signature) _____

(Print Officer Name) _____

CHIEF ADMINISTRATIVE OFFICER
(Title)

Date: 3/8/12