

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING

FILED

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

v.

SI MORTGAGE COMPANY

Docket No. 12 0079 (ENF-CO)

PA DEPT OF BANKING

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking ("Department"), Bureau of Examinations has conducted a routine examination of SI Mortgage Company ("SIMC") and its officers, employees and directors. Based on the results of its review, the Bureau of Compliance and Licensing ("Bureau") concluded that SIMC 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**

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. SIMC is a corporation that engages in the mortgage loan business in Pennsylvania as a mortgage lender.
4. SIMC is licensed by the Department as a mortgage lender, Nationwide Mortgage

Licensing System and Registry Identification No. 68434, Mortgage Lender License No. 37923.

5. From September 22, 2009 until June 8, 2012 SIMC was licensed by the Department as a mortgage broker, Nationwide Mortgage Licensing System and Registry Identification No. 68434, Mortgage Broker License No. 28218.

6. SIMC's principal place of business is located at 51650 Oro Road, Shelby Township, MI 48315-2933.

7. On April 12, 2012, an examiner from the Bureau of Examinations commenced a routine compliance examination of SIMC upon which the Bureau's position is based.

8. SIMC contends at all given times, it believed it operated in compliance with the MLA and any resulting examination violations were oversights.

9. The purpose of this Order is to resolve the outstanding issues resulting from the April 12, 2012 examination.

## VIOLATIONS

### Closing Mortgage Loans In Its Own Name

10. The MLA provides, in relevant part, that a licensee engaging in the mortgage loan business shall not "[i]n the case of a mortgage broker or mortgage originator, commit to close or close mortgage loans in its own name, service mortgage loans, enter into lock-in agreements..." 7 Pa. C.S. § 6123(7).

11. The MLA prohibits a mortgage broker from closing mortgage loans in its own name.

12. The examination revealed that SIMC closed six (6) mortgage loans as a mortgage broker under the SIMC name prior to issuance of its mortgage lender license.

#### AUTHORITY

13. 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).

14. 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

15. Fine. SIMC agrees to pay a fine of one thousand five hundred dollars (\$1,500) which shall be due and payable to the Department within thirty (30) days of the effective date of this Order as defined in paragraph 22 below. The fine payment shall be remitted by certified check or money order 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.

16. Corrective Action. Upon the Effective Date of this Order, SIMC shall comply with the requirements of the MLA.

#### FURTHER PROVISIONS

17. Consent. SIMC 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. SIMC, 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.

18. 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).

19. 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 SIMC.

20. Binding Nature. The Department and SIMC intend to be and are legally bound by the terms of this Order.

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

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

23. 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 SIMC, in the future regarding all matters not resolved by this Order.

b. SIMC 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.

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

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

26. 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 SIMC 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

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Ryan Walsh, Director ~~Chief~~  
Bureau of Compliance and Licensing  
Department of Banking

Date: September 18, 2012

FOR SI MORTGAGE COMPANY

\_\_\_\_\_  
(Officer Signature) |

\_\_\_\_\_  
(Print Officer Name)

President  
\_\_\_\_\_  
(Title)

Date: 09/17/2012