

FILED

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

2019 FEB 14 AM 11:29

COMMONWEALTH OF PENNSYLVANIA	:	PA DEPARTMENT OF
DEPARTMENT OF BANKING AND	:	BANKING AND SECURITIES
SECURITIES, BUREAU OF	:	
COMPLIANCE AND LICENSING	:	
	:	
	:	
v.	:	Docket No.: 13 <u>0020</u> (ENF-ORD)
	:	
COAST TO COAST HOME SOLUTIONS, LLC:	:	
	:	

NOTICE OF RIGHT TO APPEAL AND HEARING

You have the right to appeal the attached Order within 10 days of the date of the Order as provided in 1 Pa. Code § 35.20. To appeal the Order, you must file a petition, in writing, with the Docket Clerk as set forth below. **If the Docket Clerk does not receive your petition within 10 days, you will waive your right to a hearing and the Order will be deemed final.**

The petition must be in writing, state clearly and concisely your grounds of interest in the subject matter, the facts you rely upon, the law you rely upon, and the relief you seek as required by 1 Pa. Code §35.17.

The petition and all other documents relating to this matter must be filed with the Docket Clerk:

Linnea Freeberg, Docket Clerk
Department of Banking and Securities
17 North Second Street, Suite 1300
Harrisburg, PA 17101

Further, you must serve a copy of the petition on the person who signed the attached Order by providing a copy to their counsel set forth below:

Sarah E. Sedlak, Assistant Counsel
Pennsylvania Department of Banking and Securities
17 North Second Street, Suite 1300
Harrisburg, PA 17101

Once you file your petition, you will be notified of pertinent information such as the name of the presiding officer designated by the Banking and Securities Commission to hear this matter and, if a hearing is scheduled, the date, time and location of the hearing. You have the right to be represented by an attorney.

All procedural matters will be governed by the Pennsylvania Administrative Agency Law, 2 Pa. C.S. §§501-508, 701-704, and the General Rules of Administrative Practice and Procedure, 1 Pa. Code §§31.1.-35.251.

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DEPARTMENT OF BANKING AND SECURITIES

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

v.

COAST TO COAST HOME SOLUTIONS, LLC:

Docket No.: 13 0020 (ENF-ORD)

ORDER

WHEREAS, the Department of Banking and Securities ("Department") is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce 7 Pa. C.S. § 6101 ("Mortgage Licensing Act") et seq.; and

WHEREAS, the Bureau of Compliance and Licensing ("Bureau") is primarily responsible for administering and enforcing the Mortgage Licensing Act for the Department; and

WHEREAS, the Mortgage Licensing Act was amended on August 5, 2009, by Act 31 of 2009, H.B. 1654 (P.N. 2448); and

WHEREAS, Coast To Coast Home Solutions, LLC ("Coast To Coast Home Solutions") is located at 1903 S. Congress Ave., Suite 455, Boynton Beach, FL 22426; and

WHEREAS, Coast To Coast Home Solutions used to maintain a website, www.coasttocoasthomesolutions.com; and

Unlicensed Activity

WHEREAS, through its website, Coast To Coast Home Solutions advertised loan modification services; and

WHEREAS, Coast To Coast Home Solutions website did not exclude Pennsylvania residents as possible customers for loan modification services; and

WHEREAS, Coast To Coast Home Solutions entered into a contract for loan modification services with at least one Pennsylvania consumer (Consumer); and

WHEREAS, Consumer paid fees to Coast To Coast Home Solutions in advance of a mortgage loan modification being negotiated or completed by Coast To Coast Home Solutions; and

WHEREAS, as of the date this Order is issued, the status of any loan modification for Consumer is unknown; and

WHEREAS, by negotiating, offering or otherwise transacting mortgage loan modifications to at least one Pennsylvania consumer, Coast To Coast Home Solutions was actively engaged in and held itself out as being engaged in the "mortgage loan business" as defined in the Mortgage Licensing Act, See 7 Pa. C.S. § 6151(1)(i); and

WHEREAS, the Mortgage Licensing Act prohibits persons from engaging in the mortgage loan business in Pennsylvania without holding a mortgage broker, mortgage lender, mortgage loan correspondent or mortgage originator license, See 7 Pa. C.S. § 6111(a); and

WHEREAS, Coast To Coast Home Solutions does not hold a license issued by the Pennsylvania Department of Banking and Securities to engage in the mortgage loan business in Pennsylvania; and

WHEREAS, Sections 6111(b) and 6112 of the Mortgage Licensing Act set forth exceptions to the licensure requirements of Section 6111(a), See 7 Pa. C.S. §§ 6111(b), 6112; and

WHEREAS, Coast To Coast Home Solutions does not meet any of the exceptions to licensure in Section 6111(b) and 6112 of the Mortgage Licensing Act, See 7 Pa. C.S. §§ 6111(b), 6112; and

WHEREAS, Coast To Coast Home Solutions has violated the Mortgage Licensing Act by engaging in the mortgage loan business in Pennsylvania without a license; and

Mortgage Licensing Act

WHEREAS, the Mortgage Licensing Act applies to any mortgage loan that is “(i) negotiated, offered or otherwise transacted within this Commonwealth, in whole or in part, whether by the ultimate lender *or any other person*; (ii) made or executed within this Commonwealth; or (iii) notwithstanding the place of execution, secured by real property located in this Commonwealth.”, 7 Pa. C.S. § 6151(1) (emphasis added); and

WHEREAS, Section 6102 of the Mortgage Licensing Act defines an “advance fee” as “[a]ny funds requested by or to be paid to a person in advance of or during the processing of a mortgage loan application, excluding those fees paid by a consumer directly to a credit agency reporting bureau, title company or real estate appraiser.”, 7 Pa. C.S. § 6102; and

WHEREAS, Section 6102 of the Mortgage Licensing Act defines “mortgage loan business” as “[t]he business of advertising, causing to be advertised, soliciting, negotiating or arranging in the ordinary course of business or offering to make or making mortgage loans.”, 7 Pa. C.S. § 6102; and

WHEREAS, Section 6102 of the Mortgage Licensing Act defines a “mortgage originator” as:

- (1) An individual [that] takes a mortgage loan application or offers or negotiates terms of a mortgage loan for compensation or gain.
- (2) The term does not include any of the following:

- (i) An individual engaged solely as a loan processor or underwriter consistent with section 6112(8) (relating to exceptions to licensing requirements).
- (ii) A person or entity solely involved in extensions of credit relating to timeshare plans. . . .
- (3) Except as set forth in paragraph (4), the term does not include an employee of a licensee or person exempt or excepted from licensure under this chapter who *solely renegotiates terms for existing mortgage loans held or serviced by that licensee or person* and who does not otherwise act as a mortgage originator.
- (4)

7 Pa. C.S. § 6102 (emphasis added); and

WHEREAS, Section 6102 of the Mortgage Licensing Act defines a “first mortgage loan” as a loan which is “(1) made primarily for personal, family or household use; and (2) secured by any first lien mortgage, deed of trust, or equivalent consensual security interest on a dwelling or on residential real estate.”, 7 Pa. C.S. § 6102; and

WHEREAS, Section 6102 of the Mortgage Licensing Act defines a “secondary mortgage loan” as “(1) made primarily for personal, family or household use; and (2) secured by any secondary lien mortgage, deed of trust, or equivalent consensual security interest on a dwelling or on residential real estate.”, 7 Pa. C.S. § 6102; and

WHEREAS, Section 6102 of the Mortgage Licensing Act defines a “mortgage loan” as “[a] first or secondary mortgage loan, or both, as the context may require.”, 7 Pa. C.S. § 6102; and

WHEREAS, Section 6111(a) of the Mortgage Licensing Act provides that “. . . 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); and

WHEREAS, Section 6112(2) of the Mortgage Licensing Act provides an exception to licensure for attorneys at law “*not* otherwise engaged in or holding himself or herself out to the public as being engaged in the mortgage loan business who acts as a mortgage broker or a mortgage originator in negotiating or placing a mortgage loan in the normal course of legal practice.”, 7 Pa. C.S. § 6112(2) (emphasis added); and

WHEREAS, Section 6138(a)(4) of the Mortgage Licensing Act provides the Department with authority to issue orders as may be necessary for the proper conduct of the mortgage loan business and the enforcement of the Mortgage Licensing Act, 7 Pa. C.S. § 6138(a)(4); and

WHEREAS, Section 6102 of the Mortgage Licensing Act defines an “advance fee” as “[a]ny funds requested by or to be paid to a person in advance of or during the processing of a mortgage loan application, excluding those fees paid by a consumer directly to a credit agency reporting bureau, title company or real estate appraiser,” See 7 Pa. C.S. § 6102; and

WHEREAS, Section 6140(a) of the Mortgage Licensing Act provides, in relevant part that “[a] person subject to the provisions of this chapter and not licensed by the department who violates any provision of this chapter or who commits any action which would subject a license to suspension, revocation or nonrenewal under section 6139 (relating to suspension, revocation or refusal) may be fined by the department up to \$10,000 for each offense.”, 7 Pa. C.S. § 6140(a);

AND NOW, THEREFORE, since Coast To Coast Home Solutions has engaged in unlicensed activity, the Bureau, pursuant to its authority referenced above hereby imposes the following Order:

1. Loan Origination. Upon the Effective Date of this Order¹, Coast To Coast Home Solutions and any and all officers, members, managers, employees, independent contractors or agents of Coast To Coast Home Solutions shall cease and desist from engaging in the mortgage loan business subject to the Mortgage Licensing Act, including, but not limited to, advertising (including website advertising), accepting applications and negotiating mortgage loans and mortgage loan modifications in Pennsylvania or to Pennsylvania consumers, unless and until such time that Coast To Coast Home Solutions and all mortgage originators as defined by the Mortgage Licensing Act are licensed by the Department pursuant to the Mortgage Licensing Act.

2. Consumer Refund. Upon the Effective Date of this Order, Coast To Coast Home Solutions shall provide Consumer, named in Appendix A, a refund of the advance fee collected. Coast To Coast Home Solutions shall provide the Bureau with evidence that the refund was paid by providing the Bureau with a copy of a cancelled/cleared check. A copy of the cancelled/cleared check shall be sent to John Talalai, Administrator, Compliance Division, at jtalalai@pa.gov, by 5:00 PM eastern time on the Effective Date of this Order.

3. Pipeline Report. Upon the Effective Date of this Order, Coast To Coast Home Solutions shall provide a list of consumers that Coast To Coast Home Solutions has worked with in order to negotiate mortgage loan modifications (the "Pipeline Report"). The Pipeline Report shall include, but is not limited to:

- a. The names, addresses and phone numbers of Pennsylvania consumers that have responded to advertisements or that Coast To Coast Home Solutions has as clients;
- b. The amount of fees collected from the Pennsylvania consumers;

¹ This Order is effective on the tenth (10th) day of the date it is executed below if no petition for hearing is timely filed. If a petition for hearing is timely filed, the Order will become effective on the date upon which a final order is issued.

- c. The current rate, term and payment of the Pennsylvania consumers' loans;
- d. The proposed rate, term and payment of the loans subsequent to the loan modification; and
- e. The current status and/or resolution of the loan modification.

The Pipeline Report shall be sent to John Talalai, Administrator, Compliance Division, at jtalalai@pa.gov, by 5:00 PM eastern time on the Effective Date of this Order. The Pipeline Report shall be updated weekly, until the Bureau no longer requires updates.

4. Advertising. Upon the Effective Date of this Order, Coast To Coast Home Solutions shall provide a list of any websites or copies of any other advertising that Coast To Coast Home Solutions has utilized including, but not limited to, mail solicitations. The information shall be sent to John Talalai, Administrator, Compliance Division, at jtalalai@pa.gov, by 5:00 PM eastern time on the Effective Date of this Order.

5. Contact Information. Upon the Effective Date of this Order, Coast To Coast Home Solutions shall provide a list of all owners, officers and employees of Coast To Coast Home Solutions. The list shall include the name, address telephone number and position of these individuals. The information shall be sent to John Talalai, Administrator, Compliance Division, at jtalalai@pa.gov, by 5:00 PM eastern time on the Effective Date of this Order.

6. Waiver. Nothing in this Order shall prevent Coast To Coast Home Solutions from seeking a waiver from the Department to allow Coast To Coast Home Solutions to complete a loan modification for a Pennsylvania consumer that is listed on the Pipeline Report as provided in Paragraph 3 in order to prevent further harm to the Pennsylvania consumer and for no other reason. Requests for waiver may be made to John Talalai, Administrator, Compliance Division, at jtalalai@pa.gov.

7. Reservation of Rights: Nothing in this Order shall prevent the Bureau from taking any further administrative action as deemed necessary including, but not limited to imposing fines pursuant to Section 6140(a) or (b) of the Mortgage Licensing Act or seeking restitution for consumers.

IT IS SO ORDERED.

Jóhán Talalai, Administrator
Department of Banking and Securities,
Bureau of Compliance and Licensing

2-14-2013

(Date)

Appendix A

APPENDIX A

Consumer Name	Refund Amount
Redacted	\$2886.00

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COAST TO COAST HOME SOLUTIONS, LLC: :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Order upon the parties below, who constitute the only parties of record in this proceeding, in accordance with the requirements of 1 Pa. Code §§ 33.35, 33.36 and 33.37:

BY CERTIFIED AND FIRST CLASS MAIL

Coast To Coast Home Solutions, LLC
1903 S. Congress Ave.
Suite 455
Boynton Beach, FL 33426

Dated this 14th day of February, 2013.

Sarah E. Sedlak, Assistant Counsel
Attorney I.D. # 93810
FOR: Commonwealth of Pennsylvania
Department of Banking and Securities
17 North Second Street, Suite 1300
Harrisburg, PA 17101
(717) 787-1471