

FILED

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES

2013 APR -3 AM 9:31

PA DEPARTMENT OF  
BANKING AND SECURITIES

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COMMONWEALTH OF PENNSYLVANIA	:	
DEPARTMENT OF BANKING AND	:	
SECURITIES, BUREAU OF COMPLIANCE	:	
AND LICENSING	:	
	:	
	:	
v.	:	Docket No.: 13 <u>0033</u> (ENF-ORD)
	:	
MORTGAGE PAYMENT REPAIR, LLC	:	
	:	

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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:

Sharon M. Williams  
Assistant Counsel  
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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ORDER

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

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

WHEREAS, the MLA 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 6111(a) of the MLA 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**, Mortgage Payment Repair, LLC (“Mortgage Payment Repair”) held itself out as a mortgage loan modification company; and

**WHEREAS**, Mortgage Payment Repair’s address of record is 3880 Stockton Hill Road, Suite 103-329, Kingman, AZ 86409; and

Unlicensed Activity

**WHEREAS**, in 2011, the Department became aware of complaints from Pennsylvania consumers regarding Mortgage Payment Repair; and

**WHEREAS**, the Department has received two complaints from Pennsylvania consumers (“Pennsylvania Consumers”) regarding Mortgage Payment Repair; and

**WHEREAS**, the Pennsylvania Consumers engaged the services of Mortgage Payment Repair for the purpose of obtaining a mortgage loan modification; and

**WHEREAS**, according to Mortgage Payment Repair, one of the services the company offers is “[r]educing the current and future rates of interest charge and monthly payments;” and

**WHEREAS**, Mortgage Payment Repair is not licensed to engage in the mortgage loan business in Pennsylvania as a mortgage broker, mortgage lender or mortgage loan correspondent, *see* 7 Pa.C.S. § 6102, 6111(a); and

**WHEREAS**, Mortgage Payment Repair does not meet any of the exceptions to licensure in Sections 6111(b) and 6112 of the MLA, *see* 7 Pa. C.S. §§ 6111(b), 6112; and

**WHEREAS**, by offering and/or negotiating mortgage loan modifications to at least one Pennsylvania consumer, Mortgage Payment Repair is actively engaged in and holding

themselves out as being engaged in the “mortgage loan business” as defined in the MLA, *see* 7 Pa.C.S. § 6102, 6111(a); and

**WHEREAS**, the employees of Mortgage Payment Repair that conduct the mortgage loan modification negotiations with third party lenders on behalf of consumers are not licensed as mortgage originators pursuant to the MLA and do not meet any exception to licensure, *see* 7 Pa. C.S. § 6102, 6111(a), 6112; and

**WHEREAS**, Mortgage Payment Repair has violated the MLA by engaging in the mortgage loan business in Pennsylvania without a license; and

#### Advance Fees

**WHEREAS**, Section 6102 of the MLA 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**, the Pennsylvania Consumers, contacted Mortgage Payment Repair for loan modification services regarding residential property in Pennsylvania; and

**WHEREAS**, according to the Mortgage Payment Repair Agreement and Payment Authorization Form, Mortgage Payment Repair requires an advance retainer fee upon execution of its contract for completion of loan modification services; and

**WHEREAS**, the Pennsylvania Consumers entered into a contract with Mortgage Payment Repair for the loan modification services for Pennsylvania residential properties; and

**WHEREAS**, the Pennsylvania Consumers’ contracts required a payment of fees in advance of services being rendered by Mortgage Payment Repair; and

**WHEREAS**, the Pennsylvania Consumers made the required advance payments to Mortgage Payment Repair; and

**WHEREAS**, those advance fees are connected to the mortgage loan business; and

**WHEREAS**, the MLA requires those collecting advance fees related to the mortgage business to obtain specific bond coverage, 7 Pa. C. S. § 6131; and

**WHEREAS**, Mortgage Payment Repair had not obtained this bond; and

**WHEREAS**, by charging advance fees without obtaining the proper bond, Mortgage Payment Repair has violated the MLA; and

Authority

**WHEREAS**, Section 6138(a)(4) of the MLA 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 MLA. *See* 7 Pa. C.S. § 6138(a)(4); and

**WHEREAS**, Section 6140(a) of the MLA 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

**AND NOW, THEREFORE**, since Mortgage Payment Repair 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 Order,<sup>1</sup> Mortgage Payment Repair and any and all officers, members, managers, employees, independent contractors or agents of Mortgage Payment Repair shall cease and desist from engaging in the mortgage loan business subject to the MLA, including, but not limited to, advertising (including soliciting phone calls), accepting applications and negotiating mortgage loans and mortgage loan modifications in Pennsylvania, unless and until such time that Mortgage Payment Repair and all mortgage originators as defined by the MLA are licensed by the Department pursuant to the MLA.

2. Advance Fees. Upon the effective date of this Order, Mortgage Payment Repair shall provide a refund to the Pennsylvania Consumers listed in the table in Appendix A. See Appendix A. The refund shall be in the amount that corresponds with the table in Appendix A. Mortgage Payment Repair 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, by 5:00 PM eastern time on the effective date of this Order.

3. Pipeline Report. Upon the Effective Date of this Order, Mortgage Payment Repair shall provide a list of consumers that Mortgage Payment Repair 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 consumers that have responded to advertisements or that Mortgage Payment Repair has as clients;

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<sup>1</sup> This Order is effective on the tenth 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.

- b. The amount of fees collected from the consumers;
- c. The current rate, term and payment of the 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  
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, Mortgage Payment Repair shall provide a list of any websites or copies of any other advertising that Mortgage Payment Repair has utilized including, but not limited to, mail solicitations. The information shall be sent to John Talalai, Administrator, Compliance Division, by 5:00 PM eastern time on the Effective Date of this Order.

5. Contact Information. Upon the Effective Date of this Order, Mortgage Payment Repair shall provide a list of all owners, officers and employees of Mortgage Payment Repair. 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, by 5:00 PM eastern time on the Effective Date of this Order.

6. Waiver. Nothing in this Order shall prevent Mortgage Payment Repair from seeking a waiver from the Department to allow Mortgage Payment Repair to complete a loan modification for a consumer that is listed on the Pipeline Report as provided in Paragraph 3 in order to prevent further harm to the consumer and for no other reason. Requests for waiver may be made to John Talalai, Administrator, Compliance Division.



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 MLA or seeking restitution for consumers.

**IT IS SO ORDERED.**

~~John Palalai~~, Administrator  
Department of Banking and Securities  
Bureau of Compliance and Licensing

4/2/2013  
(Date)

**APPENDIX A**

<b>Consumer Name</b>	<b>Refund Owed</b>
Redacted	\$500.00
Redacted	\$830.00

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v.

Docket No.: 13 0033 (ENF-ORD)

MORTGAGE PAYMENT REPAIR, 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

Mortgage Payment Repair, LLC  
3880 Stockton Hill Road  
Suite 103-329  
Kingman, AZ 86409-0595

Dated this 2 day of April, 2013.

\_\_\_\_\_  
Sharon Williams,  
Attorney I.D. # 207545  
FOR: Commonwealth of Pennsylvania  
Department of Banking and Securities  
17 North Second Street, Suite 1300  
Harrisburg, PA 17101  
(717) 787-1471