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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES

BANKING AND SECURITIES

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

Docket No.: 120028 (ENF-ORD)

v.

RONALD L. ANGLE, Sr. and  
RONALD L. ANGLE, Jr., jointly and severally

**CONSENT AGREEMENT AND ORDER**

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities (the "Department"), Bureau of Compliance and Licensing (the "Bureau") has reviewed the business practices of Ronald L. Angle, Sr. and Ronald L. Angle, Jr. Based on the results of its review, the Bureau believes that Ronald Angle, Sr. and Ronald L. Angle, Jr. had not complied with the Mortgage Licensing Act, 7 Pa. C.S. § 6101 *et seq.* and related statutes when providing mortgages on residential properties. Ronald Angle, Sr. and Ronald L. Angle, Jr. admit no wrongdoing, but, in lieu of litigation, hereby stipulate with the Bureau to the terms of this Consent Agreement and Order (the "Order").

**BACKGROUND**

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the Mortgage Bankers and Brokers and Consumer Equity Protection Act, 63 P.S. 456.101, *et seq.* ("MBBCEPA"), and the Mortgage Licensing Act ("MLA"), 7 P.S. § 6101, *et seq.* (Chapter 3 of the MBBCEPA was repealed and replaced on November 5, 2008, by the MLA).

2. The Department further has an interest in enforcing the Loan Interest and Protection Law, 41 P.S. § 101 *et seq.* (“LIPL”) and the Installment Land Contract Law, 68 P.S. § 901, *et seq.* (“ILCL”) as those laws relate to mortgage lending.

3. The Bureau is primarily responsible for investigating and enforcing applicable statutes on behalf of the Department including, but not limited to, the MBBCEPA, its successor statute the MLA, the LIPL and the ILCL.

4. Ronald L. Angle, Sr. and his wife Sharon Angle, reside at 1101 Million Dollar Highway, Mount Bethel, Pennsylvania, Northampton County, 18013-5519, with a post office address of P.O. Box A, Portland, Pennsylvania, 18351.

5. Ronald L. Angle, Jr. is of the age of majority and is the son of Ronald L. Angle, Sr. and his wife Sharon.

6. Based on its best information, knowledge, and belief, Ronald L. Angle, Jr. resides permanently with his parents.

7. On or around January 2010, the Bureau began an investigation of mortgages securing residential properties financed by Ronald L. Angle, Sr.

#### Applicable Law

8. Section 6102 of the Mortgage Licensing Act (corresponding to Section 302 of the MBBCEPA) defines the “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 (corresponding to 63 P.S. § 456.302).

9. Section 6102 of the Mortgage Licensing Act (corresponding to Section 302 of the MBBCEPA) defines a “mortgage lender” as “[a] person who engages in the mortgage loan

business by directly or indirectly originating and closing mortgage loans with its own funds in the primary market for consideration. 7 Pa. C.S. § 6102 (corresponding to 63 P.S. § 456.302).

10. Section 6111(a) of the Mortgage Licensing Act (corresponding to Section 303(a) of the MBBCEPA) provides that no person shall engage in the mortgage loan business in this Commonwealth without first being licensed as a mortgage lender. *See* 7 Pa. C.S. § 6111(a) (corresponding to 63 P.S. § 456.303(a)).

11. Pennsylvania caselaw holds that an Installment Land Contract is a mortgage. *Stillwater vs. Krawitz*, 772 A.2d 118 (2001); Restatement 3<sup>rd</sup> of Property (Chapter 3).

12. Effective September 8, 2008, section 301 of the LIPL required the Department of Banking and Securities to establish on a monthly basis a maximum lawful rate of interest rate based on a prescribed calculation for residential mortgages less than a base figure of \$217,873, as adjusted annually for inflation; which rate applies to any person not exempt by federal law or who does not qualify for an exemption based on state law as a person selling his own residential dwelling. 41 P.S. §§101; 301.

13. The maximum monthly lawful interest rates and the adjusted base mortgage figure are both published in the Pennsylvania Bulletin.

14. Section 2 of the ILCL provides that it is the intent of that law to provide for fair and equitable agreements for both buyer and seller and to protect the buyer from unreasonable provisions. 68 P.S. § 902(2).

15. Pursuant to the ILCL, upon written request, a buyer is entitled to have full information and disclosure of the terms of his agreement, the status of his account, the balance due on the purchase price and a statement of the application of his monthly installment with the

proper itemization of what constitutes principal payments and carrying charges during the existence of the agreement. 68 P.S. § 902(3).

16. The ILCL establishes remedies for both sellers and buyers in the event of default by the other party. 68 P.S. §§ 904-907.

17. The ILCL grants rights to a purchaser in addition to any rights that of a purchaser under existing law. 68 P.S. § 909.

### ALLEGATIONS

18. It is the position of the Bureau, based on investigative findings that Ronald L. Angle, Sr. and Ronald L. Angle, Jr. engaged in the mortgage loan business by lending money to consumers, secured by their residential dwellings, for compensation or gain, without the required mortgage lender licenses.

19. It is the position of Ronald L. Angle, Sr. and Ronald L. Angle, Jr. that any lending secured by residential mortgages was provided for the benefit of those individuals that were unable to secure financing by traditional means, and was not knowingly or intentionally done in violation of any civil law, and admit no such violations by agreeing to this Order.

20. The Bureau specifically alleges that during the period of time from 2005 through 2008, Ronald L. Angle, Sr. provided financing secured by residential mortgages on 6 properties without the required mortgage banker or mortgage broker license in violation of the MBBCEPA, now the MLA.

21. As of the date of this Order, only two such mortgages remain unsatisfied, but as both loans were in excess of the dollar amount protected by the LIPL, no adjustments need be made to the interest rate of those mortgages. Those mortgages are noted as:

a. A mortgage dated 9/15/07

in the amount of \$55,000 at 11%

interest.

b. A mortgage dated 10/22/07

in the amount of \$870,000

originally at 14.5% interest, but retroactively reduced to 8.5% on October 27, 2010.

22. The Bureau further concludes, based on investigative findings, that in 2009, Ronald L. Angle, Sr. began to finance residential home purchases through the use of installment land contracts, which is a form of mortgage.

23. The Bureau specifically alleges that Ronald L. Angle, Sr. provided four residential loans secured by installment land contract mortgages without the required mortgage lender or mortgage broker license in violation of the MLA, the LIPL and the ILCL.

24. The particulars of the four properties Ronald L. Angle, Sr. secured by installment land contract mortgages are noted below:

a. An installment land sales contract dated October 6, 2007

in the amount of \$155,000 amortized over 30 years at 11%.

b. An installment land sales contract dated September 27, 2010,

in the amount of \$140,000 at 8.5%, which rate was

limited by law to 6%.

c. An installment land sales contract dated March 6, 2009

in the

amount of \$92,000 at 10%, which rate was limited by law to 6.5%.

d. An installment land sales contract dated February 28, 2009

in the amount of \$149,500 at 10%, which rate was limited by

law to 5.25%.

25. The Bureau alleges that in November of 2011, Ronald L. Angle, Sr. conveyed by deed all four properties secured by the installment land contract mortgages to himself and his son Ronald L. Angle, Jr.

26. The Bureau further alleges that coincident with the conveyance of the four deeds to Ronald L. Angle, Sr. and Ronald L. Angle, Jr., the installment land contracts were re-executed by all parties.

27. It is the position of the Bureau that upon the re-execution of the installment land contracts to include Ronald L. Angle, Jr., Ronald L. Angle, Jr. engaged in the residential mortgage loan business without the obtaining a mortgage lender license pursuant to the MLA.

#### Loan Interest Protection Law

28. The Bureau concludes, based on investigative findings, that three of the installment land contracts, identified in paragraph 24b, 24c, and 24d, are at interest rates in excess of that permitted by the LIPL.

29. The Bureau concluded, based on investigative findings, that the installment land contracts mortgages were not drafted in compliance with the Installment Land Sales Law. 68 P.S. § 901 *et seq.*

30. Specifically, the seller's installment land contracts were not compliant with the ILCL because those agreements provided the sellers a remedy in the nature of confession of judgment for the entire balance of principal and interest remaining unpaid thereon; and simultaneously allows for confession of judgment for action of ejectment.

31. Specifically, the seller's installment land contracts were not compliant with the ILCL because those agreements did not limit the sellers' financial remedy to the principle, interest, or public assessments due at the time of surrender of the premises by the buyer; any repairs paid for by sellers due to vandalism or damage by buyer; and any loss due to excess of contract price over market price at time of breach by buyer. 68 P.S. § 904, 905.

32. The ILCL specifically disallows recovery of the unpaid balance of the loan. 68 P.S. § 905(a)-(e).

33. The ILCL allows the buyer to recover any principle paid in excess of 25% of the principle of the loan; hence, a seller cannot keep all the payments made as liquidated damages unless those payments are equal to or less than 25% of the principle. 68 P.S. § 906.

34. The seller's installment land contracts are not compliant with the ILCL by requiring a balloon payment in as little as five years when the ILCL mandates that no final settlements are permitted to be due until only 75% of the equity remains to be paid. 68 P.S. § 907(a)(2).

35. The Bureau alleges that Ronald Angle, Sr. and Ronald Angle, Jr., jointly and severally, did not comply with Section 6111(a) of the Mortgage Licensing Act (corresponding to Section 303(a) of the MBBCEPA) when engaging in the mortgage loan business without a license as a mortgage lender. 7 Pa. C.S. § 6111(a) (corresponding to 63 P.S. § 456.303(a)).

36. The Bureau alleges that Ronald Angle, Sr. and Ronald Angle, Jr. jointly and severally, did not comply with the LIPL when they charged interest on a mortgage loan in an amount in excess of that provided by law. 41 P.S. § 301.

37. The Bureau alleges that the installment land sales contracts agreed to by Ronald Angle, Sr. and Ronald Angle, Jr., jointly and severally, did not comply with the remedies allowed by the ILCL.

#### Authority of the Department

38. Section 6138(a)(4) of the Mortgage Licensing Act (corresponding to Section 310(a) of the MBBCEPA) provides the Department with authority to issue orders as may be necessary for the proper conduct of the residential mortgage loan business and the enforcement of the Mortgage Licensing Act. *See* 7 Pa. C.S. § 6138(a)(4) (corresponding to 63 P.S. § 456.310(a)).

39. Section 6138(a)(6) of the Mortgage Licensing Act provides the Department with the authority to “[o]rder a person or licensee to make restitution for actual damages to consumers caused by any violation of this chapter.” 7 Pa. C.S. § 6138(a)(6).

40. Section 6140(a) of the Mortgage Licensing Act (corresponding to Section 314(b) of the MBBCEPA) 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) (corresponding to 63 P.S. § 456.314(b)).



## RELIEF

41. Corrective Action. Ronald L. Angle, Sr., and his son Ronald L. Angle, Jr. agree to cease and desist from providing residential mortgage loans or installment land sale contracts or engaging in the residential mortgage loan business as an originator, broker or lender without the proper licenses issued pursuant to the Mortgage Licensing Act.

42. Ronald L. Angle, Sr. and his son Ronald L. Angle, Jr., within thirty days of the effective date of this agreement, agree to re-execute or amend the installment land contracts referenced in paragraph 24 above, and to bring those contracts into compliance with the ILCL. In particular, the amended agreement will: 1) eliminate any confession of judgment; 2) limit liquidated damages to any payments made totaling less than 25% of principle (as re-calculated in accordance with paragraph 43 below); 3) allow recovery of damages as limited in 68 P.S. § 905; 4) allow recovery of specified damages in the amount of any repairs required due to vandalism or damage caused by buyers, and the difference between the market price and the contract price at the time of surrender of the property; 5) require refinancing by the buyer only after buyer reaches 25% equity in compliance with 68 P.S. § 907; 6) allow the buyer to pay-off the mortgage by refinancing at any time; and, 7) provide a full accounting to each buyer no less than once a year and provide receipts to all buyers paying cash.

43. Ronald L. Angle, Sr. and his son Ronald L. Angle, Jr., within thirty days of the effective date of this agreement, agree to re-execute or amend those installment land contracts referenced in paragraph 24b, 24c, and 24d above to reflect the mortgage interest rate published in the Pennsylvania Bulletin for the month and year of the original mortgage agreement to be effective January 1, 2013 on a prospective basis.

44. A copy of the amended or re-executed installment land sale contracts will be provided within thirty days to:

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

45. Ronald Angle, Sr. and Ronald Angle, Jr. will be responsible for the payment of the seller's share of real estate transfer taxes associated with the installment land contracts that may be due and owing to the county.

#### **FURTHER PROVISIONS**

46. Consent. Ronald L. Angle, Sr., his wife Sharon Angle, and his son Ronald L. Angle, Jr. 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 agree that they understand all of the terms and conditions contained therein. By voluntarily entering into this Order, Ronald L. Angle, Sr., his wife Sharon Angle, and his son Ronald L. Angle, Jr. waive any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

47. 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).

48. 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 Ronald L. Angle, Sr., his wife Sharon Angle, and his son Ronald L. Angle, Jr.

49. Binding Nature. The Department and Ronald L. Angle, Sr., his wife Sharon Angle, and his son Ronald L. Angle, Jr. intend to be and are legally bound by the terms of this Order.

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

51. Effectiveness. Ronald L. Angle, Sr., his wife Sharon Angle, and his son Ronald L. Angle, Jr. hereby stipulate and agree that the Order shall become effective on the date that the Bureau executes the Order.

52. 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 Ronald L. Angle, Sr., his wife Sharon Angle, and his son Ronald L. Angle, Jr. in the future regarding all matters not resolved by this Order.

b. Ronald L. Angle, Sr., his wife Sharon Angle, and his son Ronald L. Angle, Jr. acknowledge and agree 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.

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

54. Counterparts. This Order may be executed in separate counterparts, by facsimile and PDF.

55. 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, Ronald L. Angle, Sr., his wife Sharon Angle, and his son Ronald L. Angle, Jr., intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES  
BUREAU OF COMPLIANCE AND LICENSING**

\_\_\_\_\_  
John Talalai, Administrator  
Bureau of Compliance and Licensing  
Department of Banking and Securities

Date: 1-18-2013

**FOR RONALD L. ANGLE, Sr.**

\_\_\_\_\_  
(Signature)

RONALD L. ANGLE  
(Print Name)

Date: 12/28/2012

FOR RONALD L. ANGLE, Jr.

~~(Signature)~~

Ron Angle Jr.

(Print Name)

Date: 12/31/2012

FOR SHARON ANGLE

~~(Signature)~~

SHARON ANGLE

(Print Name)

Date: 12-31-2012