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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES

PA DEPARTMENT OF  
BANKING AND SECURITIES

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

v.

Docket No. 14 0012 (BNK-CAO)

MEADOWBROOK MORTGAGE  
SERVICES, INC.

**CONSENT AGREEMENT AND ORDER**

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department"), Bureau of Compliance and Licensing ("Bureau"), conducted a review of Meadowbrook Mortgage Services, Inc. ("Meadowbrook Mortgage"), and its officers, employees and directors. Based on the results of its review, the Bureau concludes that Meadowbrook Mortgage operated in violation of 7 Pa. C.S. § 6101 *et seq.*, the Mortgage Licensing Act. 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 Mortgage Licensing Act.
2. The Bureau is primarily responsible for administering and enforcing the Mortgage Licensing Act for the Department.

3. Meadowbrook Mortgage is located at 15042 Carter Road, Philadelphia, PA 19116-1503.

4. The Department licenses Meadowbrook Mortgage as a mortgage broker, License No. 22699, Nationwide Mortgage Licensing System and Registry ("NMLS") Identification No. 50671.

Surety Bond

5. The Mortgage Licensing Act requires mortgage brokers to maintain a surety bond which provides coverage for the mortgage originators sponsored by the licensee. See 7 Pa. C.S. § 6131(e)(3).

6. Meadowbrook Mortgage's surety bond is required to be, at the minimum, in the amount of \$50,000. See 7 Pa. C.S. § 6131(e)(3)(i).

7. Meadowbrook Mortgage does not currently maintain an active surety bond on record with the Department.

8. By failing to maintain a surety bond in the minimum amount of \$50,000, Meadowbrook Mortgage is in violation of section 6131(e)(3) of the Mortgage Licensing Act.

Examination Costs

9. The Mortgage Licensing Act requires a licensee to pay the costs of examination, including travel costs of the examiner. See 7 Pa. C.S. § 6135(a)(2)

10. On October 3, 2013, the Department issued invoice no. 1801459328 for the amount of \$1,286.92 to Meadowbrook Mortgage.

11. The Department has not received Meadowbrook Mortgage's payment for invoice no. 1801459328.

12. By failing to pay the invoice, Meadowbrook Mortgage is in violation of section 6135(a)(2) of the Mortgage Licensing Act.

Authority of the Department

13. Pursuant to section 6238(a)(4) of the Mortgage Licensing Act, the Department has the authority to issue orders for enforcement including the authority to suspend any license issued pursuant to the Mortgage Licensing Act if a licensee fails to comply with or violates any provision of the Mortgage Licensing Act. 7 Pa. C.S. § 6139(a)(2).

**RELIEF**

14. License Suspension. Upon the Effective Date of this Order, as defined in paragraph 24 below, the Department is suspending Meadowbrook Mortgage's mortgage broker license no. 22699. The license shall remain suspended until Meadowbrook Mortgage provides proof to the Department that it obtained a surety bond for the minimum amount of \$50,000 and paid invoice no. 1801459328 in full.

15. Corrective Measures. Until the Department reinstates Meadowbrook Mortgage's mortgage broker license, Meadowbrook Mortgage shall not engage in the mortgage loan business, as defined in section 6102 of the Mortgage Licensing Act, in this Commonwealth.

16. Current Loans. The Department will permit Meadowbrook Mortgage to complete loans currently in process from consumers who submitted loan applications to Meadowbrook Mortgage prior to the Effective Date of this Order, so that those consumers are not harmed by the Order.

17. Pipeline Report. Consistent with paragraph 16, Meadowbrook Mortgage shall provide to the Bureau a report of loans currently being processed ("Pipeline Report") in the following categories:

- i. loans that have closed, but have not yet funded;
- ii. loans that have been approved, but that have not closed; and
- iii. applications that have been received, but for which no decision has been made regarding approval of the applications.

The Pipeline Report shall including the: (a) name, address and telephone number of the applicant or borrower; (b) the status of the loan; and (c) the purpose of the loan (i.e. purchase or refinance).

The Pipeline Report shall be sent by electronic mail to Ryan Walsh at: [rywalsh@pa.gov](mailto:rywalsh@pa.gov). The loans listed on the Pipeline Report are the only loans Meadowbrook Mortgage may process until its mortgage broker license is reinstated.

18. Renewal. The Department will process any renewal application subject to this suspension and any renewal application will not invalidate the suspension.

#### FURTHER PROVISIONS

19. Consent. Meadowbrook Mortgage hereby knowingly, willingly, voluntarily and irrevocably consents 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 herein. Meadowbrook Mortgage, 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.

20. Publication and Release. The Department will publish this Order pursuant to its authority in section 302.A(5) of the Department of Banking and Securities Code.

21. 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 Meadowbrook Mortgage.

22. Binding Nature. The Department, Meadowbrook Mortgage, and all officers, owners, directors, employees, heirs and assigns of Meadowbrook Mortgage intend to be and are legally bound by the terms of this Order.

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

24. Effectiveness. Meadowbrook Mortgage hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order (the "Effective Date").

25. 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 Meadowbrook Mortgage in the future regarding all matters not resolved by this Order.

b. Meadowbrook Mortgage 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.

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

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

28. 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 and Meadowbrook Mortgage Services, Inc. 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**

Redacted

Ryan Walsh, Chief  
Department of Banking and Securities  
Bureau of Compliance and Licensing

Date: April 3, 2014

**FOR MEADOWBROOK MORTGAGE SERVICES, INC.**

Redacted

(Signature)

*Gas M Scirento*

(Print Name)

Date: 4-2-2014