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COMMONWEALTH OF PENNSYLVANIA 2015 JAN 14 PM 2: 20  
DEPARTMENT OF BANKING AND SECURITIES

PA DEPARTMENT OF  
BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND  
SECURITIES, COMPLIANCE OFFICE

v.

Docket No. 150001 (BNK-CAO)

BRIDGEPOINT MORTGAGE, LLC

**CONSENT AGREEMENT AND ORDER**

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department"), Bureau of Non-Depository Examinations conducted an examination of Bridgepoint Mortgage, LLC ("Bridgepoint") and its officers, employees and directors. Based on the results of its review, the Compliance Office concluded that Bridgepoint violated the Mortgage Licensing Act ("MLA"), 7 Pa. C.S. § 6131(c)(5). 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 Compliance Office is primarily responsible for administering and enforcing the MLA for the Department.

3. Bridgepoint is a corporation that engages in the mortgage loan business in Pennsylvania as a licensed mortgage broker with Nationwide Mortgage Licensing System and Registry Identification Number 1009871, Mortgage Broker License Number 40134.

4. Bridgepoint's principal place of business is located at 6 Post Office Square, Clinton, Connecticut 06413.

5. On October 14, 2014, an examiner from the Bureau of Non-Depository Examinations commenced a routine compliance examination of Bridgepoint upon which the Compliance Office's position is based.

6. Bridgepoint fully cooperated with the Bureau of Non-Depository Examinations during the examination process.

7. The purpose of this Order is to resolve exam issues and the outstanding examination bill, resulting from the October 14, 2014 examination.

## VIOLATIONS

### Unlicensed Branch Locations

8. Section 6131(f)(2) of the MLA states that "[a] mortgage originator shall . . . be assigned to and work out of a licensed location of the employer licensee or a location of an employer person excepted from this chapter or excepted from licensure under section 6112." 7 Pa. C.S. § 6131(f)(2).

9. The MLA defines a "branch" as "[a]n office or other place of business other than the principal place of business, where a person engages in the mortgage loan business subject to this chapter." 7 Pa. C.S. § 6102.

10. The examination revealed that several loan officers were engaging in the mortgage loan business at unlicensed locations.

11. Those locations were ultimately licensed as branches of Bridgepoint.

Examination Bill

12. On October 14, 2014, the Bureau of Examinations performed a routine examination.

13. On November 24, 2014, an examination bill in the amount of \$5,215.48, invoice number 1801642424, was sent to Bridgepoint.

14. The Mortgage Licensing Act and the Department of Banking and Securities Code authorize the Department to charge for licensee examinations. *See* 7 Pa. C.S. § 6138(a)(1) and 71 P.S. § 733-204.A.

15. Bridgepoint did not remit payment for the November 24, 2014 examination bill when due.

**AUTHORITY**

16. 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 Mortgage Licensing Act. *See* 7 Pa. C.S. § 6138(a)(4).

17. The Department may fine a person that commits any action which would subject the licensee to suspension, revocation or nonrenewal under Section 6139 up to \$10,000 per offense. *See* 7 Pa. C.S. § 6140(b).

**RELIEF**

18. Examination Invoice. Bridgepoint agrees to pay the examination invoice of five thousand two hundred fifteen dollars and forty-eight cents (\$5,215.48) in two (2) installments of two thousand six hundred seven dollars and seventy-four cents (\$2,607.74); with the first

installment due within thirty (30) days of the Effective Date of the Order as defined in paragraph 27 below, and the second installment due within sixty (60) days of the Effective Date of the Order.

19. Fine. Bridgepoint agrees to pay a fine in the amount of five thousand three hundred and seventy five dollars (\$5,375). The fine shall be remitted in two installments of two thousand six hundred eighty seven dollars and fifty cents (\$2687.50); with the first installment due within ninety (90) days of the Effective Date of the Order, and the second installment due within one hundred twenty (120) days of the Effective Date of the Order.

20. Payments. Payment shall be remitted by certified checks or money orders made payable to the Pennsylvania Department of Banking and Securities and sent to the attention of: Compliance Office, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

21. Corrective Action. Upon the Effective Date of this Order Bridgepoint shall ensure that all loan officers are assigned to, and engaging in the mortgage loan business out of licensed locations.

#### **FURTHER PROVISIONS**

22. Consent. Bridgepoint hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Department's order authority under the MLA and agrees that it understands all of the terms and conditions contained therein. Bridgepoint, 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.

23. Publication. The Department will publish this Order pursuant to its authority in Section 302.A.(5) of the Department of Banking and Securities Code. *See* 71 P.S. § 733-302.A.(5).

24. 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 Compliance Office and Bridgepoint.

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

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

27. Effective Date. Bridgepoint hereby stipulates and agrees that the Order shall become effective on the date that the Compliance Office executes the Order.

28. 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 Bridgepoint in the future regarding all matters not resolved by this Order.

b. Bridgepoint 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.

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

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

31. 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 and Securities, through its Compliance Office, and Bridgepoint Mortgage, LLC, intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF BANKING AND SECURITIES, COMPLIANCE OFFICE**

Redacted

John Talalai, Administrator  
Compliance Office  
Department of Banking and Securities

Date: 1/14/2015

**FOR BRIDGEPOINT MORTGAGE, LLC**

Redacted

(Officer Signature)

Douglas Hahn  
(Print Officer Name)

Owner  
(Title)

Date: 1/14/15