

FILED

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES

2015 SEP 16 PM 1:02

PA DEPARTMENT OF  
BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND  
SECURITIES, COMPLIANCE OFFICE

v.

Docket No.: 15 CCS (BNK-ORD)

BEST RATE FINANCE GROUP, BEST RATE  
FINANCIAL and BEST RATE FINANCIAL  
GROUP

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 N. Second St., Ste. 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 Williams  
Assistant Counsel  
Department of Banking and Securities  
17 N. Second St., Ste. 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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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND  
SECURITIES, COMPLIANCE OFFICE

v.

Docket No.: 15 CC28 (BNK-ORD)

BEST RATE FINANCE GROUP, BEST RATE  
FINANCIAL and BEST RATE FINANCIAL  
GROUP

ORDER

1. 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 *et seq.* ("MLA").

2. The Compliance Office is primarily responsible for administering and enforcing the MLA for the Department.

3. Best Rate Finance Group's mailing address is 12316 North May Avenue #134, Oklahoma City, OK 73116.

4. Best Rate Financial's mailing address is 6608 N. Western Avenue Suite # 416, Oklahoma City, OK, 73116.

5. Best Rate Financial Group is incorporated in Oklahoma, Filing No. 2912488392, and is associated with the mailing address 6608 N. Western Ave. #416, Oklahoma City, OK 73116.

6. The phone number 1-800-695-0267 is associated with both Best Rate Finance Group and Best Rate Financial.

7. The phone number 1-888-210-8571 is associated with Best Rate Financial.

8. The websites [www.bestratefin.com](http://www.bestratefin.com), [www.bestratefg.com](http://www.bestratefg.com) and [www.bestratefg.org](http://www.bestratefg.org) are associated with Best Rate Finance Group, Best Rate Financial and/or Best Rate Financial Group.

9. Best Rate Finance Group, Best Rate Financial and Best Rate Financial Group are not licensed by the Department.

10. 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 a dwelling or residential real estate located in this Commonwealth.” See 7 Pa. C.S. § 6151(1) (emphasis added).

#### Unlicensed Activity

11. On or around August 17, 2015, the Department became aware that Best Rate Finance Group, Best Rate Financial and/or Best Rate Financial Group was conducting mortgage loan business in Pennsylvania.

12. The Department received a complaint from a Pennsylvania consumer regarding Best Rate Finance Group.

13. The Department received 3 complaints from the PA Office of Attorney General Bureau of Consumer Protection – one for Best Rate Finance Group and two for Best Rate Financial.

14. Best Rate Finance Group, Best Rate Financial and/or Best Rate Financial Group entered into agreements with these consumers to provide loan modification services for a fee.

15. By negotiating, offering or otherwise transacting mortgage loan modifications to at least one Pennsylvania consumer, Best Rate Finance Group, Best Rate Financial and/or Best Rate

Financial Group were actively engaged in and held themselves out as being engaged in the “mortgage loan business” as defined in the MLA. *See* 7 Pa. C.S. § 6151(1)(i).

16. The MLA 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.

17. The MLA 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. 7 Pa. C.S. § 6111(a).

18. Sections 6111(b) and 6112 of the MLA set forth exceptions to the licensure requirements of Section 6111(a) of the MLA. 7 Pa. C.S. §§ 6111(b), 6112.

19. Best Rate does not meet any of the exceptions to licensure in Section 6111(b) and 6112 of the MLA. 7 Pa. C.S. §§ 6111(b), 6112.

20. Best Rate Finance Group, Best Rate Financial and Best Rate Financial Group violated the MLA by engaging in the mortgage loan business in Pennsylvania without a license.

#### Advance Fees

21. The consumers entered into an agreement with Best Rate Finance Group, Best Rate Financial and/or Best Rate Financial Group for loan modification services for residential property.

22. The consumers’ agreement required a payment of fees in advance of services being rendered by Best Rate Finance Group, Best Rate Financial and/or Best Rate Financial Group.

23. Consumers paid fees ranging from \$2,395 to \$4,395 to Best Rate Finance Group, Best Rate Financial and/or Best Rate Financial Group.

24. 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.

25. A mortgage loan application is “a request, in any form, for an offer, or a response to a solicitation of an offer, of mortgage loan terms, and the information about the borrower or prospective borrower that is customary or necessary in a decision on whether to make such an offer.” *See* 7 Pa. C.S. § 6102.

26. The advance fees requested by Best Rate Finance Group, Best Rate Financial and/or Best Rate Financial Group were in connection with the mortgage loan business.

27. The MLA requires those collecting advance fees related to the mortgage business to obtain specific bond coverage. *See* 7 Pa. C. S. § 6131(e)(1).

28. The Department has never received any information regarding Best Rate Finance Group, Best Rate Financial and/or Best Rate Financial Group’s required bond coverage.

29. By collecting advance fees without obtaining the proper bond, Best Rate Finance Group, Best Rate Financial and Best Rate Financial Group violated the MLA.

#### **DEPARTMENT’S AUTHORITY**

30. 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).

31. Section 6138(a)(5) of the MLA provides the Department with authority to “[p]rohibit or permanently remove a person or licensee responsible for a violation of this chapter from working in the present capacity or in any other capacity of the person or licensee related to activities by the department.” *See* 7 Pa. C.S. § 6138(a)(5).

32. 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.” See 7 Pa. C.S. § 6140(a).

**AND NOW, THEREFORE,** since Best Rate Finance Group, Best Rate Financial and Best Rate Financial Group engaged in unlicensed activity and collected advance fees, the Compliance Office, pursuant to its authority referenced above hereby imposes the following Order:

1. Loan Origination. Upon the Effective Date of this Order<sup>1</sup>, Best Rate Finance Group, Best Rate Financial and Best Rate Financial Group, and any and all officers, members, managers, employees, independent contractors or agents of Best Rate Finance Group, Best Rate Financial and Best Rate Financial Group shall cease and desist from engaging in the mortgage loan business subject to the MLA, 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 Best Rate and all mortgage originators as defined by the MLA are licensed by the Department pursuant to the MLA.

2. Consumer Refunds. Upon the Effective Date of this Order, Best Rate Finance Group, Best Rate Financial and Best Rate Financial Group, jointly or severally, shall provide the consumers, named in Appendix A, a refund of the advance fees collected. Best Rate Finance Group, Best Rate Financial and/or Best Rate Financial Group shall provide the Compliance Office

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<sup>1</sup> This Order is effective on the tenth (10<sup>th</sup>) 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.

with evidence that the refunds were paid by providing the Compliance Office with a copy of cancelled/cleared checks. A copy of the cancelled/cleared checks shall be sent to John Talalai, Administrator, Compliance Office, at [jtalalai@pa.gov](mailto:jtalalai@pa.gov), by 5:00 PM eastern time on the Effective Date of this Order.

3 Fine. Upon the Effective Date of this Order, Best Rate Finance Group, Best Rate Financial and Best Rate Financial Group, jointly or severally, shall pay a \$40,000 fine for violating the MLA. The fine shall be made by certified check or money order made payable to the "Department of Banking and Securities" and shall be sent to the attention of the Department of Banking and Securities, Compliance Office, located at 17 North Second Street, Suite 1300, Harrisburg, Pennsylvania 17101.

4. Pipeline Report. Upon the Effective Date of this Order, Best Rate Finance Group, Best Rate Financial and Best Rate Financial Group shall provide a list of consumers that Best Rate Finance Group, Best Rate Financial and/or Best Rate Financial Group 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 Best Rate Finance Group, Best Rate Financial and Best Rate Financial Group have as clients;
- b. The amount of fees collected from the Pennsylvania consumers;
- 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 Office, at [jtalalai@pa.gov](mailto: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 Compliance Office no longer requires updates.

5. Advertising. Upon the Effective Date of this Order, Best Rate Finance Group, Best Rate Financial and Best Rate Financial Group shall provide a list of any websites or copies of any other advertising that Best Rate Finance Group, Best Rate Financial and/or Best Rate Financial Group have utilized including, but not limited to, mail solicitations. The information shall be sent to John Talalai, Administrator, Compliance Office, at [jtalalai@pa.gov](mailto:jtalalai@pa.gov), by 5:00 PM eastern time on the Effective Date of this Order.

6. Contact Information. Upon the Effective Date of this Order, Best Rate Finance Group, Best Rate Financial and Best Rate Financial Group shall provide a list of all owners, officers and employees of Best Rate Finance Group, Best Rate Financial and Best Rate Financial Group. The list shall include the name, address telephone number and position of these individuals. The information shall be sent to John Talalai, Administrator, Compliance Office, at [jtalalai@pa.gov](mailto:jtalalai@pa.gov), by 5:00 PM eastern time on the Effective Date of this Order.

7. Waiver. Nothing in this Order shall prevent Best Rate Finance Group, Best Rate Financial and Best Rate Financial Group from seeking a waiver from the Department to allow Best Rate Finance Group, Best Rate Financial and/or Best Rate Financial Group to complete a loan modification for a Pennsylvania consumer that is listed on a 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 Office, at [jtalalai@pa.gov](mailto:jtalalai@pa.gov).

8. Reservation of Rights. Nothing in this Order shall prevent the Compliance Office 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.**

Redacted  
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John Talalai, Administrator  
Department of Banking and Securities  
Compliance Office

9/16/15  
(Date)

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES

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v.	:	Docket No.: 15 <u>CC288</u> (BNK-ORD)
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BEST RATE FINANCE GROUP, BEST RATE	:	
FINANCIAL and BEST RATE FINANCIAL	:	
GROUP	:	

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

Best Rate Finance Group  
12316 North May Avenue #134  
Oklahoma City, OK 73120

Best Rate Financial  
6608 N. Western Avenue Suite #416  
Oklahoma City, OK 73116

Dated this 16<sup>th</sup> day of September, 2015.

Redacted

FOR: Commonwealth of Pennsylvania  
Department of Banking and Securities  
Sharon Williams  
Assistant Counsel  
17 North Second Street, Suite 1300  
Harrisburg, PA 17101  
(717) 787-1471