

FILED

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

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PA DEPARTMENT OF
BANKING AND SECURITIES

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| COMMONWEALTH OF PENNSYLVANIA | : | |
| DEPARTMENT OF BANKING AND | : | |
| SECURITIES, COMPLIANCE OFFICE | : | |
| | : | Docket No.: 16 <u>0015</u> (BNK-ORD) |
| v. | : | |
| | : | |
| HANSEN FINANCIAL SERVICES, INC. | : | |

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:

Sarah E. Sedlak, 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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Docket No.: 16 0015 (BNK-ORD)

v.

HANSEN FINANCIAL SERVICES, INC.

ORDER

Through this Order, the Department of Banking and Securities, Compliance Office, hereby suspends the mortgage broker license of Hansen Financial Services, Inc., (“Hansen Financial”). Hansen Financial is ordered to immediately cease and desist from engaging in the mortgage business, including loan brokering and origination activities, until such time as the license suspension is lifted.

In support of its Order, the Compliance Office states the following:

BACKGROUND

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.
2. The Compliance Office (“Office”) administers and enforces the Mortgage Licensing Act for the Department. 7 Pa. C.S. § 6101 *et seq.*
3. The Department is primarily located at 17 North Second Street, Suite 1300, Harrisburg, PA 17101.
4. Hansen Financial maintains its principal place of business at 917 Arch Street, Unit 103, Philadelphia, PA 19107.

5. The Department licenses Hansen Financial as a mortgage broker, License No. 30307, Nationwide Mortgage Licensing System and Registry (“NMLS”) Unique Identification No. 133360.

April 2015

6. On April 17, 2015, the Department’s Bureau of Examinations conducted an examination of Hansen Financial at its principal place of business.

August 2015

7. On August 28, 2015, the Department’s Fiscal Office (“Fiscal Office”) sent invoice no. 1801756453 (“August Invoice”) in the amount of \$3,522.12 to Hansen Financial for costs incurred during the examination.

8. The Fiscal Office sent the August Invoice via First Class U.S. Mail to the address provided in NMLS.

9. The August Invoice advises that if the Department did not receive payment from Hansen Financial within sixty (60) days of the date of the August Invoice, the Banking and Securities Code (“Code”) permitted the Department to assess additional administrative fees. 7 P.S. § 733-204.B.

10. The U.S. Postal Service did not return the August Invoice to the Department.

11. The Department did not receive a payment from Hansen Financial in response to the August Invoice.

November 2015

12. On November 18, 2015, the Fiscal Office sent a dunning notice via First Class U.S. Mail to Hansen Financial (“November Notice”).

13. The Department sent the November Notice to the address Hansen Financial provided in NMLS.

14. The U.S. Postal Service did not return the November Notice to the Department.

15. The Department did not receive a payment from Hansen Financial in response to the November Notice.

December 2015

16. On December 18, 2015, the Department sent a dunning notice via First Class U.S. Mail to Hansen Financial ("December Notice").

17. The Department sent the December Notice to the address Hansen Financial provided in NMLS.

18. The U.S. Postal Service did not return the December Notice to the Department.

19. The Department requires Mortgage Licensing Act licensees to submit applications through NMLS.

20. The Mortgage Licensing Act requires licensees to submit yearly renewal applications.

21. On or about December 22, 2015, Hansen Financial completed a yearly renewal application in NMLS.

22. The renewal application required Hansen Financial to make specific attestations.

23. Hansen Financial attested that it remained in good standing with the Department.

24. Hansen Financial attested that it met the financial responsibility requirements of the Department.

25. On or around December 29, 2015, the Office of Comptroller Operations (“Comptroller’s Office”) received an online banking hardcopy check in the amount of \$3,522.12 from Hansen Financial.

January 2016

26. On or about January 19, 2016, prior to renewing Hansen Financial’s license, the Department contacted the Comptroller to inquire whether Hansen Financial sent a payment.

27. The Comptroller’s Office confirmed receipt of an online banking hardcopy check for the full amount of the December Notice.

28. After reviewing Hansen Financial’s renewal application and verifying compliance, the Department’s Licensing Office renewed Hansen Financial’s Mortgage Broker license on January 19, 2016.

29. On January 19, 2016, Hansen Financial received an email through NMLS stating that the Department renewed Hansen Financial’s Mortgage Broker license.

30. On January 20, 2016, when the Comptroller’s Office attempted to cash Hansen Financial’s online banking hardcopy check, the financial institution returned the payment for Non-Sufficient Funds.

February 2016

31. On February 18, 2016, the Department sent a dunning notice via First Class U.S. Mail to Hansen Financial for the amount of the August Invoice, plus an administrative fee in the amount of \$150 as permitted by the Code. (“February Notice”).

32. The Department sent the February Notice to the address Hansen Financial provided in NMLS.

33. The U.S. Postal Service did not return the February Notice to the Department.

34. After receiving no response, on February 25, 2016, the Compliance Office sent an email to Hansen Financial requiring immediate payment of the February Notice (“Compliance Email”).

35. The Compliance Email also requested that Hansen Financial provide the Department with hardcopy evidence of any payment made to the Comptroller’s Office.

36. On or around February 22, 2016, the Comptroller’s Office informed the Department that Hansen Financial’s check was returned NSF on January 20, 2016.

FAILURE TO PAY EXAMINATION BILL

37. As of the Effective Date of this Order, as defined in paragraph d. below, the Department did not receive a response to the Compliance Email from Hansen Financial.

38. At no time from August 2015 through the Effective Date of this Order did Hansen Financial notify the Department or NMLS of any changes to its contact information.

39. At no time did the U.S. Postal Office return as undeliverable any of the Department’s invoices or notices mailed to the address provided by Hansen Financial in NMLS.

40. As of the Effective Date of this Order, Hansen Financial has not paid the examination invoice or the assessed administrative fee to the Comptroller’s Office.

41. By failing to timely pay the examination costs due to the Department, Hansen Financial is in violation of the Mortgage Licensing Act.

AUTHORITY

42. Section 6131(b) requires licensees to notify the Department of any changes to its contact information. 7 Pa. C.S. § 6131(b).

43. The Mortgage Licensing Act permits the Department to conduct examination of licensees and requires the costs of the examination, including travel costs to be paid by the licensee. *See* 7 Pa. C.S. § 6135.

44. The Department has the authority to issue orders as may be necessary for the proper conduct of the mortgage loan business and the enforcement of the Mortgage Licensing Act. *See* 7 Pa. C.S. § 6138(a)(4).

45. Section 6139(a)(2) of the Mortgage Licensing Act authorizes the Department to suspend, revoke or refuse to renew a license if the licensee has “failed to comply with or violated any provisions of the MLA or any regulation or order promulgated or issued by the Department under the MLA.” *See* 7 Pa. C.S. § 6139(a)(2).

46. The Mortgage Licensing Act 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, based upon the above allegations, the Compliance Office, under the authority cited above, hereby issues the following order.

a. Hansen Financial’s mortgage broker license is hereby **SUSPENDED** at a minimum until April 1, 2016. The suspension will continue past that date until such time as Hansen Financial pays in full:

i. The invoice amount due to the Department for costs of the examination (\$3,551.12). This amount shall be paid to the Comptroller as set forth on invoice no. 1801822503.

ii. The amount due to the Department in administrative fees as calculated at the time of payment under the Code. If Hansen Financial is unsure of the total due in administrative fees, Hansen Financial may contact the Fiscal Office for information. This amount shall be paid to the Comptroller.

iii. A fine of two thousand five hundred dollars (\$2,500) to the Department for violation of the MLA. Hansen Financial's fine payment shall be remitted by certified check or money order 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.

b. While suspended, Hansen Financial and its owners, officers, directors and/or employees, shall not engage in the mortgage loan business in Pennsylvania as defined in Section 6102 of the MLA, until such time as the Compliance Office lifts the suspension.

c. The Effective Date of this Order shall be the date on which the Compliance Office executes the Order.

d. Upon the Effective Date of this Order, Hansen Financial shall provide the Compliance Office with a pipeline report ("Pipeline Report") for the following categories:

- i. loans that have closed, but have not yet funded;
- ii. loans that have been approved but that have not closed;
- iii. applications that have been received, but no decision has been made on approving the applications; and
- iv. applications that are in the initial stages of review and document gathering.

e. The Pipeline Report shall include the following information:

- i. name, address and telephone number of the applicant;

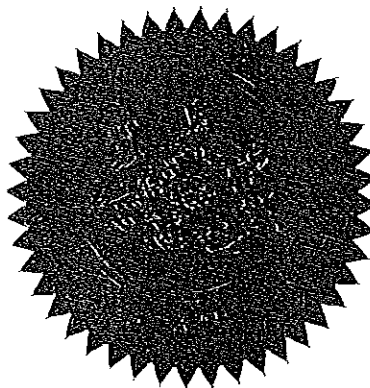
- ii. loan number of FHA case number;
 - iii. amount of all prepaid loan fees submitted by the applicant;
 - iv. amount of each loan;
 - v. status of the loan;
 - vi. purpose of the loan (i.e., purchase or refinance); and
 - vii. status of what is being done with the loan (e.g., funded by Hansen Financial, referred to another broker/lender, returned to broker, withdrawn by the applicant).
- f. Hansen Financial shall provide the Pipeline Report to Ryan M. Walsh, Director, Compliance Office via email at rywalsh@pa.gov upon the Effective Date of the Order. This Pipeline Report shall be updated weekly until the Compliance Office no longer requires updates.
- g. Hansen Financial shall cease advertising and accepting any new mortgage loan business unless and until such time the provisions as stated in paragraph c. above are met and the license suspension is lifted.
- h. Hansen Financial is only permitted to process loans listed on the Pipeline Report.
- i. Nothing in this Order shall prevent the Compliance Office from taking any further administrative action as deemed necessary.

IT IS SO ORDERED.

Redacted

Ryan Walsh, Director
Department of Banking and Securities,
Compliance Office

Dated: March 8, 2016



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v.

HANSEN FINANCIAL SERVICES, INC.

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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

Hansen Financial Services, Inc.
917 Arch Street, Unit 103
Philadelphia, PA 19107

Dated this 8 day of March, 2016.

Redacted

Sarah E. Sedlak, Assistant Counsel
Attorney I.D. # 93810
FOR: Commonwealth of Pennsylvania
Department of Banking and Securities
17 North Second Street, Suite 1300
Harrisburg, PA 17101
(717) 787-1471