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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

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COMMONWEALTH OF PENNSYLVANIA	:	PA DEPARTMENT OF
DEPARTMENT OF BANKING AND	:	BANKING AND SECURITIES
SECURITIES, COMPLIANCE OFFICE	:	
	:	
v.	:	Docket No. 17 <u>0041</u> (BNK-CAO)
	:	
CONTOUR MORTGAGE CORPORATION	:	
	:	

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities (“Department”), Compliance Office (“Office”), has reviewed the business practices of Contour Mortgage Corporation (“Contour”), and its officers, employees and directors. Based on the results of its review, the Office concludes that Contour operated in violation of the Mortgage Licensing Act, 7 Pa. C.S. § 6101 *et seq*. 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 Office is primarily responsible for administering and enforcing the Mortgage Licensing Act for the Department.
3. Contour is licensed as a mortgage lender license no. 33359, with Nationwide Mortgage Licensing System and Registry unique identifier no. 34384.
4. Contour’s Principle Place of Business is located at 990 Stewart Avenue Suite 660 Garden City, New York 11530.

Unlicensed Mortgage Origination

5. The Mortgage Licensing Act requires anyone engaging in the mortgage loan business in the Commonwealth to be licensed as a mortgage broker, mortgage lender, mortgage loan correspondent, or mortgage originator. 7 Pa. C.S. § 6111(a).

6. The Department's review revealed that Contour accepted mortgage loan applications from an unlicensed mortgage originator

7. As a mortgage lender licensee, Contour is prohibited from accepting Pennsylvania mortgage loan applications from a mortgage originator that is not licensed in the Commonwealth. 7 Pa C.S. § 6139(a)(14).

Authority of the Department

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

9. The Mortgage Licensing Act permits the Department to suspend, revoke or refuse to renew a license of a licensee where that licensee is a mortgage broker and “ ..conducted the mortgage loan business through an unlicensed mortgage originator.” 7 Pa. C.S. § 6139(a)(14).

10. Section 6140(b) of the Mortgage Licensing Act provides in relevant part, that “[a] person licensed under this chapter or director, officer, owner, partner, employee, or agent of a licensee who violates a provision of this chapter or who commits any action which would subject the licensee to suspension, revocation, or nonrenewal under section 6139 may be fined by the department up to \$10,000 for each offense.” 7 Pa. C.S. § 6140(b).

VIOLATIONS

11. Contour violated Section 6139(a)(14) of the Mortgage Licensing Act when it accepted mortgage loan applications from unlicensed mortgage loan originators. 7 Pa. C.S. § 6139(a)(14).

RELIEF

12. Fine. Contour agrees to pay a fine of five thousand dollars (\$5,000). The fine payment is due within 30 days of the effective date of this Order, as defined in paragraph 19, and shall be remitted by certified check or money order made payable to the “Department of Banking and Securities” and sent to the attention of: Department of Banking and Securities, Compliance Office, 17 N. 2nd Street, Suite 1300, Harrisburg, PA 17101-2290.

13. Corrective Action. Upon the Effective Date of this Order, Contour shall refrain from accepting mortgage loan applications through unlicensed mortgage originators

FURTHER PROVISIONS

14. Consent. Contour hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Department’s order authority under the Mortgage Licensing Act and agrees that it understands all of the terms and conditions contained herein. Contour, 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.

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

16. 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 Office and Contour.

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

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

19. Effectiveness. Contour hereby stipulates and agrees that the Order shall become effective on the date that the Office executes this Order (“Effective Date”).

20. 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 Contour in the future regarding all matters not resolved by this Order.

b. Contour 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.

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

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

23. 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 of Banking and Securities, Compliance Office, and Contour Mortgage Corporation 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**

**FOR CONTOUR MORTGAGE
CORPORATION**

Redacted

Redacted
(Officer Signature)

James Keiser, Chief
Compliance Office
Department of Banking and Securities

RICHARD A. PREGIATO
(Print Officer Name)

Date: July 10, 2017

PRESIDENT
(Title)

Date: 7/7/2017

