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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES

2019 AUG 29 AM 9:35

COMMONWEALTH OF PENNSYLVANIA :  
DEPARTMENT OF BANKING AND :  
SECURITIES, COMPLIANCE OFFICE :

PA DEPARTMENT OF  
BANKING AND SECURITIES

v. :

DOCKET NO. 19 0076 (BNK-CAO)

TRADITIONAL MORTGAGE :  
ACCEPTANCE 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 Traditional Mortgage Acceptance Corporation (“TMAC”). Based on the results of its review, together with certain disclosures TMAC has made to the Department, the Office believes that TMAC operated in violation of the Mortgage Licensing Act (the “MLA”), 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 MLA.
2. The Office is primarily responsible for administering and enforcing the MLA for the Department.
3. TMAC’s principal place of business is located at 777 108<sup>th</sup> Ave NE, Suite 1670, Bellevue, WA 98004.
4. TMAC is licensed as Mortgage Lender, license # 71103, but is not licensed as a Mortgage Servicer.
5. TMAC has applied for licensure as a Mortgage Servicer.

### Unlicensed Period

6 Section 6111(a) of the MLA requires a person engaged in the mortgage loan business as a mortgage servicer to be licensed as a mortgage servicer. 7 Pa. C S § 6111(a)

7. Act 81 of 2017, which included the requirement that a mortgage servicer be licensed, was signed into law on December 22, 2017.

8 The Department began accepting applications for licensure for existing mortgage servicers beginning on April 1, 2018.

9 The mortgage servicer licensing requirement found in Section 6111(a) of the MLA became effective April 27, 2018

10. The Department provided an administrative grace period allowing unlicensed persons until June 30, 2018 to apply for a license without penalty for unlicensed activity

11 TMAC filed its application for licensure as a mortgage servicer on July 18, 2019

12. The MLA defines a "Mortgage Servicer" as "A person who engages in the mortgage loan business by directly or indirectly servicing a mortgage loan " 7 Pa C S § 6102.

13 TMAC has been providing mortgage servicing to Pennsylvania consumers while not licensed to do so

14 TMAC cooperated with the Department regarding the matters addressed in this Order

### Authority of the Department

15. The Department has the authority to issue orders as may be necessary for the proper conduct of the mortgage loan business by licensees and the enforcement of the MLA 7 Pa C S § 6138(a)(4)

16 The Department may fine a person who violates a provision of the MLA up to \$10,000 per offense 7 Pa. C S. § 6140(b)

## **VIOLATION**

17 TMAC violated the MLA when it engaged in the business of a mortgage servicer while not licensed as a mortgage servicer 7 Pa C S § 6111(a)

## **RELIEF**

18 Fine TMAC agrees to pay a fine of forty-five thousand dollars (\$45,000) with the payment due within thirty (30) days of the Effective Date of the Order The fine payment shall be made by ACH or wire transfer, or if ACH or wire transfer is unavailable by certified check, cashier's check, teller's check or money order made payable to the "Department of Banking and Securities" and shall be mailed, or delivered in person to the attention of Department of Banking and Securities, Compliance Office, 17 N Second Street, Suite 1300, Harnsburg, PA 17101-2290

19 Licensure. Within five (5) days of the Effective Date of this order, the Department will issue a Mortgage Servicer license to TMAC

## **FURTHER PROVISIONS**

20 Consent. TMAC 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 herein. TMAC, 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

21 Consumer's Rights. This Order shall not limit or impair a consumer's rights under the MLA

22 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).

23 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 kinds whatsoever concerning this Order This Order may be amended in writing by mutual agreement by the Office and TMAC.

24 Binding Nature. The Department, TMAC, and all officers, owners, directors, employees, heirs

and assigns of Traditional Mortgage Acceptance Corporation intend to be and are legally bound by the terms of this Order

25. Counsel This Order is subject to review by the Department's Legal Division. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel

26. Effectiveness TMAC hereby stipulates and agrees that the Order shall become effective on the date that the Department's Legal Division docket this Order ("Effective Date")

27. 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 TMAC in the future regarding all matters not resolved by this Order.
- b TMAC 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.

28. Authorization. The parties below are authorized to execute this order and legally bind their respective parties

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

30. 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 Traditional Mortgage Acceptance 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 TRADITIONAL MORTGAGE ACCEPTANCE CORPORATION

Redacted

James Keiser, Chief  
Compliance Office  
Department of Banking and Securities

Date: August 26, 2019

Redacted

(Officer Signature)

Philip Walz

(Print Officer Name)

Director of Operations

(Title)

Date

8/21/2019

