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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

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PA DEPARTMENT OF
BANKING AND SECURITIES

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

v. :

SOFI LENDING CORP. :

DOCKET NO. 19 0079 (BNK-CAO)

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 SoFI Lending Corp., (“SoFI”). Based on the results of its review, together with certain disclosures SoFI has made to the Department, the Office believes that SoFI 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. SoFI’s principal place of business is located at 2750 E Cottonwood Parkway, Suite 300, Cottonwood Heights, UT 84121.
4. SoFI is licensed as a Mortgage Lender, license #46311 under the MLA and as a Consumer Discount Company, license #42140 under the Consumer Discount Company Act, but is not licensed as a Mortgage Servicer.
5. SoFI 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 April 1, 2018 and continued to accept applications through June 30, 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. SoFi filed its application for licensure as a mortgage servicer on June 28, 2019. SoFi believed it was properly licensed to service loans it originated using a licensed subservicer since it held master servicing rights for such loans as a licensed mortgage lender in PA.

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. SoFi has been providing mortgage servicing to Pennsylvania consumers while not licensed to do so.

14. SoFi 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 impose a fine up to \$10,000 per offense against any person who violates the MLA. 7 Pa. C.S. § 6140(a).

VIOLATION

17. SoFi 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. SoFi agrees to pay a fine of one hundred and ten thousand dollars (\$110,000) 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, Harrisburg, 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 SoFI.

FURTHER PROVISIONS

20. Consent. SoFI 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. SoFI, 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 The 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 SoFI.

24. Binding Nature. The Department, SoFI, and all officers, owners, directors, employees, heirs and assigns of SoFI 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. SoFI 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 SoFI in the future regarding all matters not resolved by this Order.

b. SoFI 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 SoFI Lending Corp. 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 Taklai, Administrator
Compliance Office
Department of Banking and Securities

Date: 9/6/19

FOR SOFI LENDING CORP.

Redacted

(Officer Signature)

Anand Cavale

(Print Officer Name)

Business Head

(Title)

Date. 9/6/2019

