

FILED

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**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES**

PA DEPARTMENT OF
BANKING AND SECURITIES

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

v.

DOCKET NO. 19 0101 (BNK-CAO)

REALI LOANS, INC.

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 Reali Loans, Inc. Based on the results of its review, the Office concludes that Reali Loans, Inc., operated in violation of the Mortgage Licensing Act ("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. The Office is located at 17 North Second Street, Suite 1300, Harrisburg, Pennsylvania 17101.
4. Lenda, Inc. was licensed as a Mortgage Lender, license no. 64065, Nationwide Mortgage Licensing System & Registry ("NMLS") unique identifier no. 991397.

5. In March 2019, Lenda, Inc. was acquired by Reali, Inc. and Lenda Inc.'s name was subsequently changed to Reali Loans, Inc.
6. Reali Loans, Inc. maintains its principal place of business at 777 Mariner Island Blvd, Suite 210, San Mateo, CA 94404.
7. Financial statements are required to be filed in NMLS annually, within 90 days of a licensee's Fiscal Year End as reported in the Company (MU1) Form in NMLS.
8. On or around June 7, 2019, Reali Loans, Inc. uploaded financial statements for year-end 2018, when the company was still known as Lenda, Inc.
9. A review of the 2018 year-end financial statements revealed that the company's net worth had declined to less than \$250,000.
10. Section 6131 of the MLA requires a mortgage lender to establish "a minimum net worth of \$250,000 at the time of application and will, at all times, thereafter, maintain the minimum net worth." See 7 Pa. C.S. § 6131(c)(3).
11. On or around November 22, 2019 Reali Loans, Inc. represented and provided evidence that it currently has net worth in excess of \$250,000

VIOLATION

12. Mortgage Lender licensees operating under the provisions of the MLA are required to maintain a minimum net worth of two hundred fifty thousand dollars (\$250,000). 7 Pa. C.S. § 6131(c)(3).
13. By having net worth of less than \$250,000 during a period when it was licensed as a Mortgage Lender, Reali Loans, Inc. f/k/a Lenda, Inc. was in violation of Section 6131(c)(3) of the MLA.

Authority of the Department

14 Section 6138(a)(4) of the MLA authorizes the Department to issue orders as may be necessary for the enforcement of the MLA.

15. Section 6140(b) of the MLA authorizes the Department to issue a fine of up to \$10,000 per offense against a person who is in violation of the MLA or who commits any action which would subject the licensee to suspension, revocation or nonrenewal.

RELIEF

16. Fine. Reali Loans, Inc. agrees to pay a fine of two thousand five hundred dollars (\$2,500) Payment of the fine is due within thirty (30) days of the Effective Date of the Order. Payment shall be made by ACH or wire transfer, or if ACH or wire transfer is unavailable 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. Second Street, Suite 1300, Harrisburg, PA 17101-2290.

17. Corrective Action. Reali Loans, Inc. shall maintain the minimum net worth of \$250,000 required for Pennsylvania mortgage lenders at all times during the licensed period.

FURTHER PROVISIONS

18. Consent. Reali Loans, Inc. hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Office's order authority under the MLA and agrees that it understands all of the terms and conditions contained herein. Reali Loans, Inc. 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.

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

20. 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).

21. 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 Reali Loans, Inc.

22. Binding Nature. The Department and Reali Loans, Inc. intend to be and are legally bound by the terms of this Order.

23. 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.

24. Effectiveness. Reali Loans, Inc. hereby stipulates and agrees that the Order shall become effective on the date that the Department's Legal Division docket this Order ("Effective Date").

25. 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 Reali Loans, Inc. in the future regarding all matters not resolved by this Order.

b. Reali Loans, Inc. 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.

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

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

28. 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 Commonwealth of Pennsylvania, Department of Banking and Securities, Compliance Office and Reali Loans, Inc. intending to be legally bound do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES**

FOR REALI LOANS, INC.

Redacted

Redacted

James Keiser, Chief
Compliance Office

(Officer Signature)

JASON VAN DEN BRAND

(Print Officer Name)

Date: December 3, 2019

CEO

(Title)

Date: 12/3/19

