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 Canyon Mortgage Corp. ("CMC"). Based on the results of its review, the Office concludes that CMC 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, 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. CMC is licensed as Mortgage Lender license number 61772 with Nationwide Multistate Licensing System Unique identifier #28873.

4. CMC's Principal place of business is located at 2001 Marcus Avenue, Suite N-121, Lake Success, NY 11042.

5. During the Department's review of CMC's 2019 year-end financial statements, it was brought to the Department's attention that CMC's net worth had declined to less than $250,000.
6. Section 6131 of the Mortgage Licensing Act provides that: "A Mortgage Lender Must 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).

7. The company's financial statements as of March 31, 2020 showed that the company has sufficient capital.

VIOLATION

8. Mortgage Lender licensees operating under the provisions of the Mortgage Licensing Act are required to maintain minimum net worth of two hundred and fifty thousand dollars ($250,000). 7 Pa. C.S. § 6131 (c)(3).

9. By having net worth of less than $250,000 during a period when it was licensed as a Mortgage Lender, CMC was in violation of Section 6131 of the Mortgage Licensing Act.

Authority of the Department

10. Section 6138(4) of the Mortgage Licensing Act authorizes the Department to issue orders as may be necessary for the enforcement of the Mortgage Licensing Act. 7 Pa. C.S. § 6138(4).

11. Section 6140(b) of the Mortgage Licensing Act authorizes the Department to issue a fine of up to $10,000 per offense against a person who is in violation of the Mortgage Licensing Act. 7 Pa C.S. § 6140(b).

RELIEF

12. Fine. CMC agrees to pay a fine of one thousand two hundred and fifty dollars ($1,250). 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 2nd Street, Suite 1300, Harrisburg, PA 17101-2290.
FURTHER PROVISIONS

13. Consent. CMC hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Compliance Office’s order authority under the Mortgage Licensing Act and agrees that the company understands all of the terms and conditions contained herein. CMC, 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.

14. Consumer’s Rights. This Order shall not limit or impair a consumer’s rights under the Mortgage Licensing Act (MLA), 7 Pa. C.S. § 6101 et seq.

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 Compliance Office and CMC.

17. Binding Nature. The Department and CMC intend to be and are legally bound by the terms of this Order.

18. Counsel. This Order is subject to review by the Department’s Legal Division but final once signed by all parties. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

19. Effectiveness. CMC hereby stipulates and agrees that the Order shall become effective on the date that the Department’s Legal Division docket 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 CMC in the future regarding all matters not resolved by this Order.

b. CMC 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 Commonwealth of Pennsylvania, Department of Banking and Securities, Compliance Office and Canyon Mortgage Corp. intending to be legally bound do hereby execute this Consent Agreement and Order.

FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

Redacted
John Talalar, Administrator
Compliance Office, Chief
Department of Banking and Securities

Date: 6/02/20 June 10, 2020

FOR CANYON MORTGAGE CORP.

Redacted
(Officer Signature)

Daniel Sager
(Print Officer Name)

Owner
(Title)

Date: 6/02/20