



6. The Department found that CREFC was not using a wholesale table funder to fund its loans.

7. Section 6123(a)(6) of the Mortgage Licensing Act provides that: “A Licensee engaging in the mortgage loan business shall not: In the case of a mortgage loan correspondent, service mortgage loans or close mortgage loans utilizing funding other than a wholesale table funder, except in an emergency circumstance where wholesale table funding is not available.” See 7 Pa. C.S. § 6123 (a)(6).

8. By funding loans without using a warehouse table funder, CREFC was acting as a mortgage lender even though CREFC was not licensed as a mortgage lender at the time.

9. CREFC cooperated with the Department regarding the matters addressed in this Order.

10. CREFC was approved for a mortgage lender license # 74729 on April 13, 2020.

11. At the time it was operating as an unlicensed mortgage lender, CREFC believed it had the proper license pursuant to the MLA to operate as a mortgage lender.

### **VIOLATION**

12. A person engaged in the mortgage loan business as a mortgage lender is required to be licensed as a Mortgage Lender. 7 Pa. C.S. § 6111(a).

13. CREFC violated the MLA when it engaged in the business of a mortgage lender while not licensed as a mortgage lender. 7 Pa. C.S. § 6111 (a).

### Authority of the Department

14. 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.

15. 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.

## RELIEF

16. Fine. CREFC agrees to pay a fine of seventeen thousand five hundred dollars (\$17,500). 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. 2nd Street, Suite 1300, Harrisburg, PA 17101-2290.

## FURTHER PROVISIONS

17. Consent. CREFC 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 he understands all of the terms and conditions contained herein. CREFC, 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.

18. 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.*

19. 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).

20. 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 CREFC.

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

22. 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.

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

24. 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 CREFC in the future regarding all matters not resolved by this Order.

b. CREFC 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.

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

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

27. 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 Consumer Real Estate Finance Co intending to be legally bound do hereby execute this Consent Agreement and Order.

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

James Keiser

Redacted  
\_\_\_\_\_  
John Palalai, Administrator  
Compliance Office, Chief  
Department of Banking and Securities

Date: June 10, 2020



**FOR CONSUMER REAL ESTATE FINANCE CO.**

Redacted  
\_\_\_\_\_  
(Officer Signature)

Chad Turner  
\_\_\_\_\_  
(Print Officer Name)

President  
\_\_\_\_\_  
(Title)

Date: 5/5/2020