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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.

CONTOUR MORTGAGE CORPORATION

and

DOUGLAS JOHN CALLAHAN, an individual

Docket No. 20 0046 (BNK-CAO)

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities (“Department”), Compliance Office (“Office”), has reviewed a situation regarding Douglas John Callahan, and Contour Mortgage Corporation (“CMC”). Based on the results of its review, the Office concludes that Douglas John Callahan and CMC operated in violation of the Mortgage Licensing Act, 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 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 a Pennsylvania Mortgage Lender #33359 and NMLS unique identifier #34384.

4. CMC's principal place of business is located at 990 Stewart Avenue, Suite 660, Garden City, NY 11530.

5. Douglas John Callahan is licensed under the Mortgage Licensing Act as Mortgage Originator #70042 and is sponsored by CMC with NMLS unique identifier #902546.

Unlicensed Activity

6. The definition of "Mortgage originator" as found in Section 6102 of the Mortgage Licensing Act, 7 Pa. C.S. § 6102, is "An individual who, in a commercial context and habitually and repeatedly, ...represents to the public, through advertising or other means of communicating or providing information, including the use of business cards, stationary, brochures, signs, rate lists or other promotional items, that the individual can or will perform the activities described in subparagraphs (i) and (ii)."

7. Section 6121(14) of the Mortgage Licensing Act requires a mortgage originator, to clearly display the mortgage originator's unique identifier on all mortgage loan application forms and personal solicitations or advertisements, including business cards " 7 Pa C.S. § 6121(14).

8. Email mortgage solicitations were sent out under the name of Douglas Callahan and not displaying Douglas John Callahan's NMLS unique identifier.

VIOLATION

9. By sponsoring Douglas John Callahan as a mortgage originator when he was not displaying his NMLS unique identifier on personal solicitations, Douglas John Callahan and CMC violated Section 6121 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.

11. Section 6140(b) of the Mortgage Licensing Act provides that “A person licensed under this chapter or director, officer, owner, partner, employee, mortgage originator or agent of a licensee who violates a provision of this chapter or who commits any action which would subject the licensee to suspension, revocation or nonrenewal under section 6139 may be fined by the department up to \$10,000 for each offense.” 7 Pa. C.S. § 6140(b).

RELIEF

12. Fine. Without admitting or denying the allegations contained in this Order, CMC and Douglas John Callahan agree to pay a total fine of one thousand dollars (\$1,000). The payment is 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 mailed or delivered in person to the attention of: Department of Banking and Securities, Compliance Office, 17 N. 2nd Street, Suite 1300, Harrisburg, PA 17101-2290.

13. Corrective Action. Douglas John Callahan and CMC shall not send personal solicitations or advertisements, including business cards without displaying the required NMLS unique identifier.

FURTHER PROVISIONS

14. Consent. CMC and Douglas John Callahan hereby knowingly, willingly, voluntarily and irrevocably consent to the entry of this Order pursuant to the Department’s order authority under the Mortgage Licensing Act and agrees that it understands all of the terms and conditions contained herein. CMC and Douglas John Callahan, by voluntarily entering into this Order, waive any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

15. Legal Review. This order is subject to review by the Department's Legal Office.
16. Consumer's Rights. This Order shall not limit or impair a consumer's rights under the Mortgage Licensing Act.
17. 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).
18. 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, CMC, and Douglas John Callahan.
19. Binding Nature. The Department, Douglas John Callahan, CMC, and all officers, owners, directors, employees, heirs and assigns of CMC intend to be and are legally bound by the terms of this Order.
20. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.
21. Effectiveness. CMC and Douglas John Callahan hereby stipulate and agree that the Order shall become effective on the date that the Department's Legal Office executes and docket this Order ("Effective Date").
22. 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 and Douglas John Callahan in the future regarding all matters not resolved by this Order.
 - b. CMC and Douglas John Callahan acknowledge and agree 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.

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

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

25 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, Contour Mortgage Corporation, and Douglas John Callahan 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

James Keiser, Chief
Compliance Office
Department of Banking and Securities

Date September 18, 2020

CONTOUR MORTGAGE CORPORATION

RICHARD A. PREZIATO
(Print Officer Name)

Redacted

(Officer Signature)

PRES. CONT
(Title)

Date: 9/14/2020

DOUGLAS JOHN CALLAHAN, an individual

Douglas John Callahan

(Print Name)

Redacted

(Signature)

