

3. Anyone engaging in the business of a motor vehicle sales finance company needs a license issued by the Department. 12 Pa. C.S. § 6211(a)(2).

4. The Department licensed PFCU as a Sales Finance Company, license no. 57127, through September 30, 2020.

5. PFCU failed to timely submit a license renewal application.

6. Under the CCC, sales finance companies must submit a yearly renewal license application to the Department at least fifteen days prior to October 1 of each year. 12 Pa. C.S. § 6216.

7. The Department canceled PFCU'S license effective on October 1, 2020. 12 Pa. C.S. § 6211(b)(2).

8. PFCU purchased installment sale contracts after October 1, 2020.

9. PFCU was not licensed to purchase installment sale contracts after September 30, 2020.

Authority of the Department

10. The CCC grants the Department the authority to issue orders as may be necessary for the enforcement of the CCC. 12 Pa. C.S. § 6203(a)(5).

11. Section 6274 of the CCC provides that “[a] person required to be licensed under this chapter that violates this chapter, directs a violation of this chapter or engages in an activity for which a license could be suspended or revoked under section 6218 (relating to revocation or suspension of license) shall be subject to a civil penalty levied by the department of not more than \$2,000 for each offense.” 12 Pa. C.S. § 6274.

VIOLATIONS

12. PFCU violated Section 6211(a)(2) of the CCC when it engaged in the business of a sales finance company while unlicensed. 12 Pa. C.S. § 6211(a)(2).

RELIEF

13. Fine. PFCU agrees to pay a fine of five thousand eight hundred and seventy-five dollars (\$5,875) 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 to the attention of: Department of Banking and Securities, Compliance Office, 17 N. Second Street, Suite 1300, Harrisburg, PA 17101-2290.

FURTHER PROVISIONS

14. License. PFCU shall not engage in the business of a Sales Finance Company until PFCU has been approved for a Sales Finance Company license.

15. Consent. PFCU hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Department's order authority under the CCC and agrees that it understands all of the terms and conditions contained herein. PFCU, 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.

16. Consumer's Rights. This Order shall not limit or impair a consumer's rights under the CCC, 12 Pa. C.S. § 6236.

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 and PFCU.

19. Binding Nature. The Department, PFCU, and all officers, owners, directors, employees, heirs, and assigns of PFCU intend to be and are legally bound by the terms of this Order.

20. 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.

21. Effectiveness. PFCU hereby stipulates and agrees that the Order shall become effective on the date that the Office executes 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 PFCU in the future regarding all matters not resolved by this Order.

b. PFCU 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.

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.

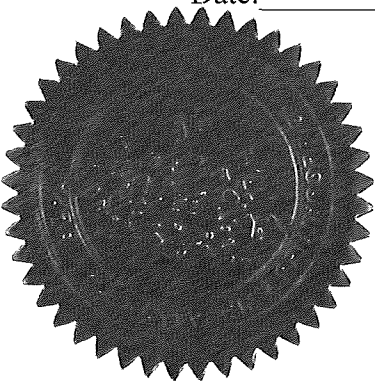
WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Department of Banking and Securities, Compliance Office and Pentagon Federal Credit Union intending to be legally bound do hereby execute this Consent Agreement and Order.

FOR THE COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF BANKING AND SECURITIES, COMPLIANCE OFFICE

Redacted

James Keiser, Chief
Compliance Office
Department of Banking and Securities

Date: 01/04/2021



FOR PENTAGON FEDERAL CREDIT UNION

Redacted

(Officer Signature)

Ivan McBride

(Print Officer Name)

Director, Indirect Lending

(Title)

Date: 12/30/2020