

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA	:	
DEPARTMENT OF BANKING AND	:	
SECURITIES, COMPLIANCE OFFICE	:	
	:	
v.	:	
	:	
MYPRIMEHOMELoAN.COM, LLC	:	Docket No. : <u>230038</u> (BNK-ORD)
	:	

NOTICE OF RIGHT TO APPEAL AND HEARING

You, MyPrimeHomeLoan.com, LLC, have the right to challenge the attached Suspension Order (“Order”) by filing an Answer, in writing, with the Docket Clerk **within 30 days** of the date of this Order as required by 1 Pa. Code § 35.37. **If you do not file an Answer within 30 days, then you will waive your right to a hearing and the Banking and Securities Commission (“Commission”) may enter a final order against you.**

Your Answer must be in writing. Your Answer must specifically admit or deny the allegations in the Order, set forth the facts you rely upon and state concisely the law you rely upon. General denials of the allegations set forth in the Order are not sufficient; you must support your denials with specific facts. Failure to support your denials with specific facts may cause the Commission to deem the facts in the Order as admitted and to enter a final Order against you, without a hearing.

The Answer and any other documents relating to this matter must be filed via first-class mail and electronic mail with the Docket Clerk:

Linnea Freeberg, Docket Clerk
Pennsylvania Department of Banking and Securities
17 N. Second St., Ste. 1300
Harrisburg, PA 17101
Email: RA-BNDOCKETCLERK@pa.gov

Further, you must serve a copy of the Answer and any other documents on the person who signed the attached Order by providing a hard and electronic copy to his or her counsel set forth below:

Veronica N. Hoof
Assistant Counsel
Pennsylvania Department of Banking and Securities
17 N. Second St., Ste. 1300
Harrisburg, PA 17101

Email: RA-BNCHIEFCOUNSEL@pa.gov

Once you file your Answer, you will be notified of pertinent information such as the name of the presiding officer designated by the Commission to hear this matter and, if a hearing is scheduled, the date, time, and location of the hearing. You have the right to be represented by an attorney.

The hearing and all other procedural matters will be governed by the Pennsylvania Administrative Agency Law, 2 Pa. C.S. §§ 501-508, 701-704, and the General Rules of Administrative Practice and Procedure, 1 Pa. Code §§ 31.1.-35.251.

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SUSPENSION ORDER

1. The Department of Banking and Securities (“Department”) is the Commonwealth of Pennsylvania’s administrative agency authorized and empowered to administer and enforce the Mortgage Licensing Act (“MLA”), 7 Pa.C.S. § 6101 *et seq.*

2. The Compliance Office is primarily responsible for administering and enforcing the MLA for the Department.

3. MyPrimeHomeLoan.com, LLC (“MPHL”), was, at all times material herein, a California limited liability company with a principal place of business at 11622 El Camino Real, Suite 100, San Diego, California 92130.

4. MPHL is currently licensed by the Department as a Mortgage Broker, license no. 77630, Nationwide Mortgage Licensing System & Registry (“NMLS”) identification no. 1359228.

BACKGROUND

SURETY BOND COVERAGE

5. Section 6131(e)(3) of the MLA, 7 Pa.C.S. § 6131(e)(3), requires mortgage brokers to obtain and maintain a surety bond from a surety company authorized to do business in the Commonwealth.

6. On April 11, 2023, the Department received a “Cancellation Notice” from Great American Alliance Insurance Company indicating that MPHL’s surety bond, Bond Number 3554313 was cancelled, effective May 5, 2023.

7. On April 26, and May 3, 2023, Staff of the Compliance Office (“Staff”) emailed Managing Member / Loan Originator of MPHL, Kevin Wells (“Wells”) at **Redacted** informing MPHL that the Department received the bond cancellation for Bond Number 3554313 and directing MPHL to provide proof of bond coverage.

8. On May 3, 2023, Wells emailed Staff advising MPHL has an active bond and will provide Staff proof of bond coverage as soon as possible. On the May 3, 2023 email, Wells also copied bond insurance agents Traci Beith (“Beith”) at **Redacted** and Steve Whitley (“Whitley”) at **Redacted**

9. On May 8 and May 15, 2023, Staff emailed Wells, Beith, and Whitley, directing MPHL to provide proof of bond coverage.

10. On May 15, 2023, Beith emailed Staff advising the insurance agency cannot provide proof of bond coverage as the funding was not yet received. Staff emailed Wells advising MPHL to provide proof of bond coverage or MPHL faces an enforcement action on MPHL’s Pennsylvania Mortgage Broker license. Wells responded to Staff via email on May 15, 2023, advising MPHL will get proof of bond coverage immediately.

11. On May 22, 2023, Staff emailed Wells directing MPHL to provide proof of bond coverage. Wells responded to Staff via email on May 23, 2023, apologizing for the delay and advised proof of bond coverage is forthcoming.

12. On May 31, 2023, and June 14, 2023, Staff emailed Wells directing MPHL to provide proof of bond coverage. Wells responded to Staff via email on June 22, 2023, advising

there are delays in obtaining proof of bond coverage and inquired if it would be acceptable to obtain a new bond. Staff responded to Wells via email on June 22, 2023, advising MPHL needs to obtain bond coverage as soon as possible to avoid an enforcement action on MPHL's Pennsylvania Mortgage Broker license. Wells responded to Staff via email on June 22, 2023, confirming the requirement to obtain a bond as soon as possible.

13. On July 3, July 12, and July 18, 2023, Staff emailed Wells directing MPHL to provide proof of bond coverage. On July 18, 2023, Wells responded to Staff via email stating MPHL's insurance broker was in the process of completing MPHL's Pennsylvania bond.

14. On July 20, 2023, Wells emailed Staff stating the insurance broker provided confirmation that MPHL's Pennsylvania bond is in full effect and does not expire until October 12, 2023. On July 24, 2023, Staff responded to Wells via email asking for a copy of the bond. Wells responded to Staff via email on July 24, 2023, advising the process should be wrapped up at the end of the current week.

15. On August 4, 2023, Staff emailed Wells directing MPHL to provide proof of bond coverage. Wells responded to Staff via email advising the bond information should be in the Nationwide Mortgage Licensing System ("NMLS") and does not expire until October 13, 2023, at which time MPHL will renew the bond. Staff responded to Wells via email asking for verification as to where the bond document was uploaded or to provide Staff with a copy of the bond. Wells responded to Staff and copied Whitley via email, advising Whitley would provide the applicable paperwork to Staff.

16. On August 6, 2023, Staff received an email from Whitley that contained MPHL's original bond certificate for bond # 3554313, stating it is the MPHL's current Pennsylvania bond. On August 7, 2023, Staff responded to Whitley and Wells via email attaching the March 31, 2023,

bond cancellation notice, advising the Department needs a reinstatement notice or bond cancellation rescind notice as proof the bond is active.

17. On August 14, August 18, and August 22, 2023, Staff emailed Wells and Whitley directing either party to provide proof of bond coverage for MPHL. On August 22, 2023, Wells responded to Staff via email advising Whitley should be forwarding the new/updated bond shortly.

18. On August 28, 2023, Staff emailed Wells and Whitley directing either party to provide proof of bond coverage for MPHL. On August 29, 2023, Beith responded to Staff via email apologizing for the delay and advising the bond will be provided soon.

19. On September 7 and September 12, 2023, Staff emailed Wells, Beith, and Whitley directing either party to provide proof of bond coverage. On September 13, 2023, Wells responded to Staff via email advising the bond should be arriving the following day.

20. On September 15, September 19, September 25, and September 27, 2023, Staff emailed Wells, Beith, and Whitley directing either party to provide proof of bond coverage. On September 27, 2023, Beith responded to Staff via email advising Pacific Edge Insurance is waiting for a payment from MPHL. On September 27, 2023, Staff emailed Wells notifying MPHL if bond coverage is not provided by the end of the month, the Department will begin the process of suspending MPHL's Pennsylvania Mortgage Broker license, no. 77630.

21. On September 28, 2023, Staff set a system deficiency in NMLS informing MPHL that failure to provide proof of bond coverage could result in the Department initiating an enforcement action.

22. On September 29, 2023, Staff received an email from Wells advising the bond should be completed the week of October 2nd.

23. On October 4 and October 6, 2023, Staff emailed Wells requesting a conference call to discuss MPHL's status of bond coverage. On October 6, 2023, Staff received an email from Wells advising he has been sick and would call Staff the week of October 9th.

24. On October 10, 2023, Staff emailed Wells requesting a conference call to discuss MPHL's status of bond coverage. On October 11, 2023, Staff called Wells at 855-692-3856 ext.102 and left a voicemail requesting a return call.

25. To date, MPHL has failed to provide proof of bond coverage.

VIOLATIONS

26. By failing to maintain and provide a surety bond, MPHL is in violation of Section 6131(e)(3) of the MLA, 7 Pa.C.S. § 6131(e)(3).

AUTHORITY

27. Section 6139(a)(2) of the MLA authorizes the Department to suspend, revoke or refuse to renew a license if a licensee has “[f]ailed to comply with or violated any provision of this chapter or any regulation or order promulgated or issued by the department under this chapter.” 7 Pa.C.S. § 6139(a)(2).

28. Pursuant to section 6138(a)(4) of the MLA, the Department has the authority to issue orders “as may be necessary for the proper conduct of the mortgage loan business by licensees, the issuance and renewal of licenses and the enforcement of this chapter.” 7 Pa. C.S. § 6138(a)(4).

29. Section 6140(b) of the MLA authorizes the Department to impose a fine of up to \$10,000 for any violation of the MLA. 7 Pa.C.S. § 6140(b).

AND NOW THEREFORE, since MPHL has failed to maintain and provide a surety bond, the Compliance Office, pursuant to its authority referenced above, hereby imposes the following Order:

1. Per the Department’s authority in Section 6140(b) of the MLA, 7 Pa.C.S. § 6140(b), MPHL is hereby fined ten thousand dollars (\$10,000) for failing to maintain and provide a surety bond. The fine is due and payable within 30 days of the date of this Order through the Department’s Portal at: <https://www.portal.dobs.pa.gov>.

2. Upon execution of this Order, MPHL’s Mortgage Broker license no. 77630, shall be **SUSPENDED**, meaning that MPHL and its owners, officers, directors and/or employees, shall not engage in the mortgage loan business in Pennsylvania as defined in Section 6102 of the MLA, 7 Pa.C.S. § 6102, until such time as the following conditions are met:

- a. MPHL provides a surety bond in the amount of at least \$50,000.
- b. MPHL pays the \$10,000 fine referenced above.

3. Nothing in this Order shall prevent the Compliance Office from taking any further administrative action as deemed necessary.

IT IS SO ORDERED.

Redacted

John Talalai, Director
Compliance Office
Pennsylvania Department of Banking and Securities

10/17/2023 _____
(Date)



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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Suspension Order upon the parties below, who constitute the only parties of record in this proceeding, in accordance with the requirements of 1 Pa. Code § 33.35, 33.36 and 33.37:

BY CERTIFIED AND FIRST CLASS MAIL

MyPrimeHomeLoan.com, LLC
11622 El Camino Real
Suite 100
San Diego, CA 92130

Dated this 19 day of October 2023.

Redacted

Timothy Kissinger, Legal Office
Administrator
Office of Chief Counsel
FOR: Commonwealth of Pennsylvania
Department of Banking and Securities
17 North Second Street, Suite 1300
Harrisburg, PA 17101
(717) 787-1471