

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA	:	
DEPARTMENT OF BANKING AND	:	
SECURITIES, COMPLIANCE OFFICE	:	
	:	
v.	:	Docket No. 24 <u>0007</u> (BNK-CAO)
	:	
FIRST NATIONAL MORTGAGE	:	
& INVESTMENT, INC.	:	
	:	
	:	

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 First National Mortgage & Investment, Inc. (“FNMI”) and its officers, employees, and directors. Based on the results of its review, the Office concludes that FNMI 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, 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 MLA 7 Pa.C.S. § 6101 *et seq.*
2. The Office is primarily responsible for administering and enforcing the MLA for the Department.
3. FNMI is licensed as Mortgage Broker #27439 under the MLA.
4. FNMI’s principal place of business is located at 1001 W. Cheltenham Ave., Suite 202, Elkins Park, PA 19027.

5. On October 18, 2023, an examiner from the Department commenced a routine off-site examination of FNMI.

Advertising – Unique Identifier

6. Pursuant to Section 6135(a)(5) of the MLA, FNMI is required to disclose their Nationwide Multistate Licensing System (“NMLS”) unique identifier on company business cards.

7. From in or about May 13, 2019, until October 18, 2023, FNMI failed to disclose their NMLS unique identifier on company business cards as required by Section 6135(a)(5) of the MLA.

Bank Secrecy Act – Anti-Money Laundering Program

8. Pursuant to 31 CFR Part 1029.210(b)(4), FNMI is required to provide for independent testing to monitor and maintain an adequate Anti-Money Laundering (“AML”) program, including testing to determine the compliance of the company’s agents under the AML program.

9. From in or about May 13, 2019, until October 18, 2023, FNMI failed to provide for independent testing to monitor and maintain an adequate AML program as required by 31 CFR Part 1029.210(b)(4).

Authority of the Department

10. Section 6138(a)(4) of the MLA authorizes the Department to issue orders as may be necessary for the enforcement of the MLA.

11. Section 6140(b) of the MLA authorizes the Department to issue a fine of up to \$10,000 per offense against a person who is in violation of the MLA.

VIOLATIONS

12. FNMI was in violation of Section 6135(a)(5) of the MLA when it failed to disclose their unique identifier on company business cards.

13. FNMI was in violation of 31 CFR Part 1029.210(b)(4), when it failed to provide for independent testing to monitor and maintain an adequate AML program.

RELIEF

14. Fine. FNMI agrees to pay a fine of five thousand dollars (\$5,000). Payment is due within thirty (30) days of the Effective Date of the Order as defined in paragraph 22 below. The fine payment shall be made through the Department portal at <https://www.portal.dobs.pa.gov>.

15. Corrective Action.

- a. Upon the Effective Date of this Order, FNMI shall include their NMLS unique identifier on all advertisements.
- b. Upon the Effective Date of this Order, FNMI shall provide for independent testing of their AML program.
- c. FNMI shall comply with the MLA at all times.

FURTHER PROVISIONS

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

17. Consumer's Rights. This Order shall not limit or impair any consumer's rights under the MLA.

18. 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).

19. 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 FNMI.

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

21. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

22. Effectiveness. FNMI hereby stipulates and agrees that the Order shall become effective on the date that the Office executes this Order ("Effective Date").

23. 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 FNMI in the future regarding all matters not resolved by this Order.

b. FNMI 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.

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

25. Counterparts. This Order may be executed in separate counterparts and by facsimile or electronic format.

26. 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 First National Mortgage & Investment, Inc., 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

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

Date: 01/30/2024

**FOR FIRST NATIONAL MORTGAGE &
INVESTMENT, INC.**

Redacted

(Officer Signature)

Jay Lee

(Print Officer Name)

President

(Title)

Date: 1/26/2024

