

**COMMONWEALTH OF KENTUCKY  
PUBLIC PROTECTION CABINET  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
AGENCY CASE NO. 2011-AH-0093**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

**AGREED ORDER**

PHH MORTGAGE CORPORATION d/b/a  
CENTURY 21 MORTGAGE

RESPONDENT

\* \* \* \* \*

1. The Department of Financial Institutions (“DFI”) is responsible for regulating and licensing mortgage loan brokers, mortgage loan companies, mortgage loan originators, and mortgage loan processors in accordance with the provisions set forth in KRS Chapter 286.8, the Mortgage Licensing and Regulation Act (the “Act”).

2. PHH Mortgage Corporation (“Respondent PHHMC”) is licensed as a mortgage loan company in Kentucky pursuant to the Act, and maintains its principal office at 1 Mortgage Way, Mount Laurel, New Jersey 08054.

3. Respondent operates a licensed branch office doing business as Century 21 Mortgage and located at 5201 Gate Parkway, Jacksonville, Florida 32256. Respondent’s branch license became effective on May 7, 2008, and was in effect at all times relevant herein. Respondent’s Nationwide Mortgage Licensing System and Registry (“NMLS”) number for this branch is 6375.

4. During an examination on June 13, 2011, the DFI determined that on October 27, 2009 and March 11, 2010, Respondent directly or indirectly employed or used the services of unregistered mortgage loan processors in connection with loans that they funded, in violation of KRS 286.8-030(1)(d), which prohibits a mortgage loan

company from employing or using a mortgage loan originator or a mortgage loan processor who is not registered in accordance with KRS 286.8-255.

5. The DFI possesses a range of administrative authority in addressing violations of the Act, including license revocation or denial, and/or the imposition of fines in an amount up to \$25,000 per violation. *See* KRS 286.8-046; 286.8-090.

6. In this case, the DFI has assessed a fine against Respondent in the amount of two thousand dollars (\$2,000.00) for employing or using unregistered mortgage loan processors in violation of KRS 286.8-030(1)(d).

7. Respondent states that it does not agree with the DFI's findings and does not admit the violations described herein.

8. However, in the interest of economically and efficiently resolving the violation(s) described herein, the DFI and Respondent agree as follows:

- a. Respondent agrees to a fine assessment in the amount of two thousand dollars (\$2,000.00) for the violation(s) described herein;
- b. Respondent agrees to and shall pay the total fine assessed herein in a single installment payment of two thousand dollars (\$2,000.00) each, which shall be due on the date Respondent executes the Agreed Order and returns it to the DFI, but in no event later than April 29, 2012. Said payment shall be in the form of a certified check or money order made payable to "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Attn: Michael T. Davis, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601; and

c. Respondent shall devote the time and resources necessary to ensure continual and full compliance with all statutory requirements set forth in the Act and the regulations set forth in 808 KAR Chapter 12.

7. Respondent waives its right to demand a hearing at which it would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on its own behalf, or to otherwise appeal or set aside this Order.

8. Respondent consents to and acknowledges the jurisdiction of the DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

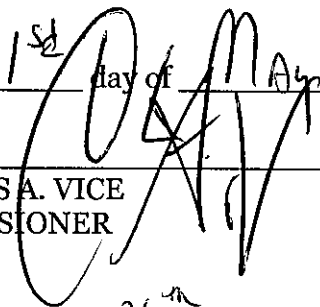
9. In consideration of execution of this Agreed Order, Respondent for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, the DFI, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that Respondent ever had, now has, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this investigation, this disciplinary action, this settlement or its administration.

10. By signing below, the parties acknowledge they have read the foregoing Agreed Order, know and fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties.

11. This Agreed Order shall constitute the Final Order in this matter.

IT IS SO ORDERED on this the 1<sup>st</sup> day of May, 2012.

CHARLES A. VICE  
COMMISSIONER



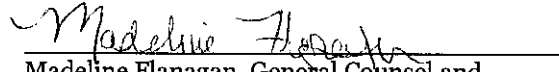
**Consented to:**

This 30 day of APRIL, 2012.

This 26<sup>th</sup> day of APRIL, 2012.



N. Chris Thompson, Acting Director  
Division of Non-Depository Institutions  
Department of Financial Institutions



Madeline Flanagan, General Counsel and  
authorized representative of PHH Mortgage  
Corporation

ACKNOWLEDGEMENT

STATE OF New Jersey

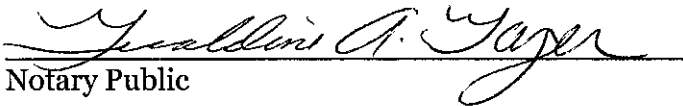
COUNTY OF Burlington

On this the 26<sup>th</sup> day of April, 2012, before me \_\_\_\_\_, the undersigned, Madeline Flanagan, as General Counsel and authorized representative of PHH Mortgage Corporation, did personally appear and entered into and executed the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

My Commission Expires: \_\_\_\_\_

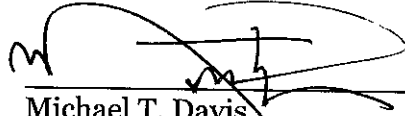
GERALDINE A. GAGER  
Notary Public of New Jersey  
My Commission Expires Sept. 29, 2012

  
Notary Public

**Certificate of Service**

I, Michael T. Davis, hereby certify that a copy of the foregoing Agreed Order was sent on this the 15<sup>th</sup> day of May, 2012, by certified mail, to the following:

PHH Mortgage Corporation  
Attn: Kristina M. Larese  
1 Mortgage Way  
Mount Laurel, New Jersey 08054

  
\_\_\_\_\_  
Michael T. Davis  
Department of Financial Institutions  
1025 Capital Center Drive  
Suite 200  
Frankfort, Kentucky 40601  
502-573-3390 ext. 240 (phone)  
502-573-2183 (facsimile)