

**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2012-AH-0117**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

AGREED ORDER

PHH HOME LOANS. LLC

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 Home Loans, LLC (“Respondent”) 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 located 10 Crestview Hills Mall Road, Crestview Hills, Kentucky 41017. Respondent’s branch license became effective on February 23, 2009, and was in effect at all times relevant herein. Respondent’s Nationwide Mortgage Licensing System and Registry (“NMLS”) number for this branch is 125881.

4. During an examination on July 20, 2011, the DFI determined that between the period of April through June 2011, Respondent’s branch permitted two (2) individuals, employed by Respondent as “loan processor’s assistants,” perform services as a mortgage loan processor in connection with mortgage loans that it originated, 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. 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 May 14, 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.

8. 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.

9. 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.

10. 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.

11. 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.

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

IT IS SO ORDERED on this the 11th day of May, 2012.



CHARLES A. VICE
COMMISSIONER

Consented to:

This 7 day of May, 2012.

This 2nd day of May, 2012.

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

Ronald J. Lyles
Ronald J. Lyles, as authorized
representative of PHH Home Loans, LLC

ACKNOWLEDGEMENT

STATE OF New Jersey)
)
COUNTY OF Burlington)

On this the 2nd day of May, 2012, before me Geraldine A. Gager, the undersigned, Ronald J. Lyles, as Senior Vice President and authorized representative of PHH Home Loans, LLC, did personally appear and entered into and executed the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

GERALDINE A. GAGER
Notary Public of New Jersey
My Commission Expires Sept. 23, 2012

My Commission Expires: _____

Geraldine A. Gager
Notary Public

Certificate of Service

I, Michael T. Davis, hereby certify that a copy of the foregoing Agreed Order was sent on this the 14th day of May, 2012, by certified mail, to the following:

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

Michael T. Davis
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)