



COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2015-AH-00080

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

AGREED ORDER

PENNYMAC LOAN SERVICES, LLC (MC23338)

RESPONDENT

* * * * *

1. The Department of Financial Institutions ("DFI") is responsible for regulating and licensing entities engaged in mortgage brokering, origination, and processing in accordance with the provisions set forth in KRS Chapter 286.8.

2. PennyMac Loan Services, LLC, ("Respondent") is authorized to do business in Kentucky as a mortgage company licensee pursuant to KRS Chapter 286.8. Respondent's License Number is MC23338. (ICIE #322790)

3. In late December 2014, Respondent self-reported its use of unlicensed loan processors to the Kentucky Director of Non-Depository Institutions. Respondent has fully cooperated with DFI's request for information.

4. In July 2014, Respondent discovered during the period of February 2012 through June 2014, unlicensed loan processors had processed multiple loans secured by Kentucky residential real property.

5. Respondent has corrected this issue and has implemented additional procedures and controls to ensure this issue does not reoccur.

6. DFI possesses a range of administrative authority in addressing violations of KRS Chapter 286.8, including license revocation or denial, suspension or the

imposition of civil penalties in an amount up to \$25,000.00 per violation. See KRS 286.8-046 and 286-8.090.

7. DFI looks favorably upon Respondent's self-reporting of these violations. In this case, DFI assessed a civil penalty against Respondent in the amount of twenty thousand dollars (\$20,000.00) for violating KRS 286.8.

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

a. Respondent agrees to a civil penalty assessment in the amount of twenty thousand dollars (\$20,000.00) for the violation(s) described herein;

b. Respondent agrees to and shall pay the total civil penalty assessed herein of twenty thousand dollars (\$20,000.00). The payment shall be due when Respondent signs and returns the Agreed Order. The 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: Non-Depository Division – ORDER, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601;

c. Respondent shall devote the time and resources necessary to ensure continual and full compliance with all statutory requirements set forth in KRS Chapter 286.8.

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 DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

9. Respondent agrees to cease and desist from using unlicensed loan processors for Kentucky loans until such time as the requirements of KRS Chapter 286.8 are met.

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, 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 9th day of June, 2015.



CHARLES A. VICE
COMMISSIONER

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Ventura)

On 5/18/2015 before me, Khue Karen Tran, Notary Public
(insert name and title of the officer)

personally appeared Jeff Grogin,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



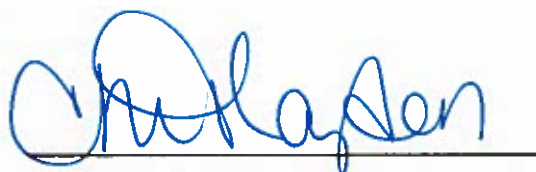
CERTIFICATE

I, Christina Hayden, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 10 day of June, 2015, by certified mail, return receipt requested, to:

Mr. Charlie Fields, First Vice President, Mortgage Regulatory Affairs
PennyMac Loan Services, LLC
909 Corporate Lake Drive
Tampa, Florida 33634

Via hand-delivery to:

Hon. Gary W. Adkins
1025 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601

A handwritten signature in blue ink, appearing to read "CH Hayden", written over a horizontal line.

Department of Financial Institutions
1025 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601