

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF BANKING

IN THE MATTER OF:)
)
PHH Home Loans, LLC) 2010-MBR-122
1 Mortgage Way)
Mount Laurel, NJ 08054)

CONSENT AGREEMENT

This Consent Agreement is entered into by and between the ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF BANKING (“Department”) and PHH HOME LOANS, LLC (“PHHHL”) for purposes of settlement.

WHEREAS, the Department is charged under the Residential Mortgage License Act of 1987 (“RMLA”) [205 ILCS 635] and the rules promulgated thereunder (“Rules”) [38 Ill. Adm. Code 1050], with responsibilities for licensing mortgage companies operating under legal and assumed names, full service offices in Illinois, and mortgage loan originators and regulating their activities; and

WHEREAS, the Department is also charged under the Residential Real Property Disclosure Act (“RRPDA”) [765 ILCS 77/1 et seq.] with administration of the Illinois Anti-Predatory Lending Database (“IAPLD”); and

WHEREAS, PHHHL is licensed under the RMLA in its legal name, but also is separately licensed under various assumed names, including Coldwell Banker Home Loans; and

WHEREAS, the Department has a purpose to ensure that consumers and others are clear at all times as to parties conducting activities under all licenses issued and that such activities are properly supervised and separated from other licenses or licensees;

WHEREAS, the Department initiated an investigation in late August, 2010 upon evidence of unlicensed activity by a PHHHL Loan Originator Danny Tony Pierce (“Pierce”) and the investigation expanded into PHHHL’s licensable activities under legal and assumed names generally, including the Department conducting on-site visits and reviews of about twenty (20) PHHHL offices in Illinois; and

WHEREAS, as a result of the investigation, the Department alleges that PHHHL had permitted Pierce to originate loans without proper renewal and licensure, failed to provide full service offices in some instances as defined in RMLA Section 1-4(r), failed in some instances to provide separate and distinct areas within real estate offices, failed in some offices to post licenses, and in certain instances failed to properly separate the activities of PHHHL and PHH Mortgage Corporation and their assumed names; and

WHEREAS, PHHHL has discussed these allegations with the Department and has taken and/or is committed to taking corrective actions and measures to enhance quality control and management in areas of use of licensed legal and assumed names, mortgage loan originators, full service offices, advertising, record-keeping, and the IAPLD;

NOW, THEREFORE, In consideration of the foregoing promises, and other good and valuable consideration, the parties agree to address the following issues as described below:

A. The Department and PHHHL agree that PHHHL shall: 1) provide a disclosure to each consumer, approved by the Department, that properly identifies PHHHL and any assumed license name that will be used in connection with each transaction, 2) employ at all times only currently active licensed mortgage loan originators to perform mortgage loan originator activities as defined in RMLA Section 1-4(jj) for PHHHL and any assumed license names, 3) maintain compliance with IAPLD information entry as required by the RRPDA and the Department in interpreting the RRPDA, with such interpretive guidance to be provided in writing by the Department to PHHHL, 4) provide full service offices in Illinois meeting the standards of RMLA Section 1-4(r) and the "separate and distinct" standard of RMLA Section 3-4 as applicable, and 5) properly maintain all loan logs, signs, advertising, and materials under PHHHL's name and any assumed license name used and as subject to the RMLA and Rules. The Department and PHHHL agree that the mortgage loan originator employees of PHHHL shall be permitted to utilize the company's corporate name and each of the company's assumed licensed names, provided that such employees may only use one name during a single transaction.

B. As corrective measures, PHHHL shall provide the Director with written quality control procedures and policies for the conduct of licensable activities in Illinois including any amendments to said procedures and policies. PHHHL shall take all reasonable and appropriate steps to ensure that its mortgage loan originator employees do not operate out of desk or space rentals in real estate offices or otherwise establish unlicensed office presences in Illinois, except in properly licensed and operated full service offices in Illinois.

C. Upon executing this Agreement, PHHHL shall pay to the Department pursuant to RMLA Sections 4-1(l) and 4-5(h)(5) a fine of fifty thousand dollars (\$50,000). Separately, pursuant to RMLA Section 4-11 PHHHL will be invoiced and agrees to pay a fee to the Department for reimbursement for past and continuing administrative, legal, investigatory, examination and other services performed by the Department in administering the RMLA and IAPLD in connection with this Consent Agreement.

D. The Department reserves the right to conduct one or more special on-site examinations and/or investigations of PHHHL's performance of licensable activities within twelve months of the consummation of this Consent Agreement. PHHHL agrees to fully cooperate with such examinations and/or investigations, including reimbursement of the Department's expenses. Nothing in this Consent Agreement constitutes an agreement by the Department to forbear undertaking any activity authorized by the RMLA and RRPDA.

E. PHHHL acknowledges that in the event it materially violates this Consent Agreement, the RMLA, RRPDA, or any other applicable law or regulation that the Department may take or recommend any authorized enforcement action against PHHHL.

F. PHHHL further acknowledges that it has voluntarily entered into this Consent Agreement, with full knowledge of its right to notice and hearing should the Department enter an enforcement order on the allegations that are the subject of this Consent Agreement and waive any right to file any petition for administrative or judicial hearing or review of this Consent Agreement. It further acknowledges that it has had an opportunity to consult with independent legal counsel and has obtained legal advice in connection with the negotiation and execution of this Consent Agreement.

G. This Consent Agreement constitutes the resolution and settlement of disputed matters and will not be deemed an admission by PHHHL of any violation of the RMLA, RRPDA, or other law or regulation. This Consent Agreement shall be posted on the Department's website.

Acceptance

This Consent Agreement is being executed and shall become effective upon the parties and their successors by written consent provided here below effective on the last date executed. The undersigned representatives of PHHHL affirm that they have full authority to enter into and bind PHHHL to the terms and conditions of this Consent Agreement. This Consent Agreement may only be amended upon written mutual consent of all the parties or their successors.

The foregoing Consent Agreement is approved in full.

By:

_____ date: _____
PHH HOME LOANS, LLC
WILLIAM F. BROWN, SECRETARY

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
BRENT E. ADAMS, SECRETARY
DIVISION OF BANKING

By:

_____ date: **December 22, 2010**
JORGE A. SOLIS, DIRECTOR