

IN THE MATTER OF:

PENNSYLVANIA STATE
EMPLOYEES CREDIT UNION

BEFORE THE MARYLAND
COMMISSIONER OF FINANCIAL
REGULATION

Respondent

* * * * *

SETTLEMENT AGREEMENT AND CONSENT ORDER

This Settlement Agreement and Consent Order (this "Consent Order") is entered into this ^{ed} 23 day of September, 2009, by and between the MARYLAND COMMISSIONER OF FINANCIAL REGULATION (the "Commissioner") and PENNSYLVANIA STATE EMPLOYEES CREDIT UNION (the "Respondent"). The Commissioner and the Respondent consent to this Agreement and Order as a final resolution of the matters set forth herein.

WHEREAS, the Respondent is, and during all relevant periods hereto was, a credit union duly chartered by and located within the Commonwealth of Pennsylvania; and

WHEREAS, the Commissioner alleges that:

- (1) The Respondent has engaged in the business of making to certain of its members consumer residential mortgage loans secured by property located in the State of Maryland; and
- (2) At no time has the Respondent been licensed as a mortgage lender under the Maryland Mortgage Lender Law, Md. Code Ann., Fin. Inst. ("FI") § 11-501 *et seq* (The "MMLL"); and
- (3) The Commissioner believes and therefore asserts that Respondent is not now, and was at no time during the period relevant hereto, entitled to an exemption from licensing under the MMLL; and

WHEREAS, the Respondent:

(1) Denies that it violated any applicable Maryland law and furthermore denies any liability thereunder, but nonetheless desires to avoid the significant expense of a hearing and potential court proceedings, and further desires to ensure that it is in full compliance with any potentially applicable Maryland laws and regulations, and therefore desires to resolve this matter fully, finally, and completely without any administrative hearings, court actions or any other proceedings; and

WHEREAS, the Commissioner desires to ensure that the Respondent will comply with all applicable requirements under FI § 11-501 *et seq.* and any other potentially applicable provisions of law and regulations governing Maryland mortgage lending, and further desires to avoid the cost to the taxpayers of protracted hearings and potential court proceedings; and

WHEREAS, the Respondent represents that it is currently in compliance with all applicable laws and regulations governing mortgage lending in the Commonwealth of Pennsylvania and that it will continue to act in compliance with all applicable laws in all future transactions; and

WHEREAS, the Respondent acknowledges that it has voluntarily entered into this Consent Order, with full knowledge of its right to a hearing on the allegations that are the subject of this Consent Order pursuant to Maryland Mortgage Lender Law (FI § 11-501 *et seq.*) and the Maryland Administrative Procedures Act (Md. Code Ann., State Gov't. § 10-201 *et seq.*). The Respondent 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 Order.

NOW, THEREFORE, it is by the Commissioner of Financial Regulation hereby
ORDERED that:

The Respondent shall, within five (5) days of execution of this Agreement and Order pay to the Commissioner, by certified check or cashier's check, a civil settlement amount of FORTY THREE THOUSAND, ONE HUNDRED SIXTY DOLLARS (\$43,160.00); and it is further

ORDERED that the Respondent shall pay to the Commissioner within five (5) days of execution of this Agreement and Order, by certified check or cashier's check, an amount equal to SEVEN THOUSAND DOLLARS representing: (i) unpaid licensing fees that would have been paid by the Respondent to the Commissioner (\$6,000.00); plus (ii) a surcharge as provided under § FI 11-507(e) (\$500.00); plus (iii) investigation fee pursuant to FI § 11-515(c) (\$500.00); and it is further

ORDERED that, Respondent shall permit the Commissioner to examine any and all of its Maryland mortgage loan files at a time specified by the Commissioner; and it is further

ORDERED that this matter shall be resolved in accordance with the terms of this Consent Agreement and that the same shall be reflected among the records of the Office of the Commissioner of Financial Regulation; and it is further

ORDERED that this Consent Agreement and Order shall constitute a Final Order of the Maryland Commissioner of Financial Regulation.

[SIGNATURE BLOCK ON NEXT PAGE]

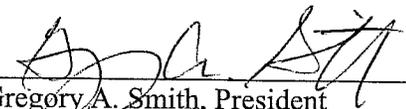
IN WITNESS WHEREOF, this Settlement Agreement and Consent Order is executed
in duplicate on the day and year first above written.

COMMISSIONER OF FINANCIAL REGULATION:

By: 

Mark Kaufman
Deputy Commissioner of Financial Regulation

PENNSYLVANIA STATE EMPLOYEES CREDIT UNION

By: 

Gregory A. Smith, President