

IN THE MATTER OF:

**ROSE E. TRAVERS, and
MARGARET D. TRAVERS,**

Respondents.

**BEFORE THE MARYLAND
COMMISSIONER OF
FINANCIAL REGULATION**

Case No.: CFR-FY2013-161

SETTLEMENT AGREEMENT AND CONSENT ORDER

This Settlement Agreement and Consent Order (“Agreement”) is entered into and effective this 14 day of May 2015, by and between the Maryland Commissioner of Financial Regulation (the “Commissioner”), and Rose E. Travers and Margaret D. Travers (the “Respondents”). The Commissioner and the Respondents (the “Parties”) consent to the entry of this Agreement as a final resolution of this matter. All paragraphs below are intended to be part of the contractual obligations of the Parties hereto, so far as they may be so construed, and are not mere recitals to this Agreement.

1. Pursuant to the Maryland Mortgage Lender Law (Annotated Code of Maryland, Financial Institutions Article (“FI”) § 11-501 *et seq.*), the Commissioner is responsible for licensing and examining, *inter alia*, all mortgage lenders in the State of Maryland (the “State”).
2. The Maryland Deputy Commissioner of Financial Regulation (the “Deputy Commissioner”) issued a Summary Order to Cease and Desist and Order to Produce (the “Summary Order”) on June 14, 2013, alleging, in part, that Respondents violated the Maryland Mortgage Lender Law (“MMLL”).
3. Respondents do not admit to any of the violations set forth in the

Commissioner's Summary Order, but wish to resolve these alleged violations without the need for further administrative proceedings or other legal proceedings avoid the costs associated with such proceedings and any potential appeals, and therefore agree to resolve this matter fully, finally, and completely without an administrative hearing; further, Respondents accept without condition, and fully agree to abide by, each and every term set forth in this Agreement.

4. The Commissioner desires to ensure that Respondents will comply with all applicable statutes, regulations, and others laws governing Maryland mortgage lending, brokering, and origination, and further wishes to avoid the costs to the taxpayers of an administrative hearing and any potential appeals.

5. The Respondent agrees to take each and every one of the following actions in exchange for a final resolution of all allegations made herein:

a. Respondents will remit an \$11,000 investigation fee to the Commissioner by money order or certified check made payable to the Commissioner of Financial Regulation, to be delivered to the Commissioner upon execution of this agreement.

b. Respondents will pay a \$43,000 civil penalty to the Commissioner by money order or certified check made payable to the Commissioner of Financial Regulation, to be delivered to the Commissioner upon execution of this Agreement.

c. For all currently open residential mortgage loans involving Maryland residential real property, Respondents will execute an instrument titled "Waiver, Renunciation and Disclaimer" in the form attached hereto as Exhibit "A," in which the lender/holder/mortgagee, on behalf of themselves and any successors in interest, relinquishes

the right to exercise any balloon payment called for in the Mortgage. Respondents shall cause an executed copy of the instrument to be filed in the land records of the County in which the property is situate, referencing the original Mortgage, without any cost to the borrowers.

i. A true, executed copy of the relevant Waiver, Renunciation and Disclaimer will be sent to the borrower by certified mail, return receipt requested, and will be accompanied by a cover letter explaining the purpose of the instrument and making it clear that the borrower is not waiving any rights, and that the borrower will not incur any costs associated with the instrument.

ii. Respondents will provide the Commissioner with proof that they have executed and filed a Waiver, Renunciation and Disclaimer respecting each currently open loan, and that notice in compliance with paragraph (i) of this section has been provided. In the event a notice to a borrower is returned as unclaimed or undeliverable, Respondents will provide the Commissioner with a copy of the returned offer letter and the envelope showing the item was returned as unclaimed or undeliverable.

iii. Respondents will provide the Commissioner with a copy of all signed Waiver, Renunciation and Disclaimer instruments.

iv. Respondents shall bear all costs associated with the Waiver, Renunciation and Disclaimer instruments, including recordation costs; the borrowers shall not be required to pay any costs associated with such instruments or their recording. In addition, the cover letter notifying borrowers of the execution and recording of the instruments shall specifically state that all rights belonging to the borrowers are expressly preserved.

v. Respondents will be permitted to continue to collect payments

per the terms of the loan agreement on these open loans except that Respondents shall not attempt to exercise the balloon payment term.

vi. Respondents agree to engage the services of a mortgage servicer licensed by the State of Maryland to collect payments, manage the loan accounts, send account statements, and handle all other servicing activities for the modified loans.

vii. In the event that Respondents are unable to engage the services of a licensed mortgage servicer, Respondents agree to hire a professional accountant to assist them in maintaining payment records, sending account statements, and handling all other servicing activities for the outstanding loans.

viii. Nothing in this agreement prohibits the Respondents from accelerating the unpaid principal balance upon default by the borrower or filing foreclosure on the outstanding loans in accordance with the terms of the original loan documents.

f. Respondents agree that they will not to engage in any future residential mortgage lending activities with Maryland residents unless and until the Respondents hold a Maryland Mortgage Lender's license.

6. Respondents acknowledge that they have voluntarily entered into this Agreement with full knowledge of their right to a hearing, arising from the allegations brought by the Commissioner pursuant to the MMLL and the Maryland Administrative Procedures Act (Annotated Code of Maryland, State Government Article ("SG") § 10-201 *et seq.*), and that Respondents hereby waive their right to a hearing.

7. Respondents acknowledge and agree that by entering into this Agreement, no rights of borrowers are deemed waived or extinguished, and that Respondents may not utilize

this Agreement as a defense to any claim brought or defense asserted by any borrower against Respondents.

8. Respondents further acknowledge that they have had an opportunity to consult with independent legal counsel in connection with the waiver of rights and with the negotiation and execution of this Agreement, and that Respondents have either consulted with independent legal counsel or have knowingly and voluntarily elected not to consult with counsel.

9. Respondents represent that: they have disclosed to the Commissioner all residential mortgage loans made to Maryland consumers prior to the date of this agreement; they have not made any residential mortgage loans to Maryland consumers since the Summary Order was issued; they are not currently making residential mortgage loans to Maryland consumers, and will continue to act in compliance with all applicable statutes, regulations, and other laws governing Maryland mortgage lending, brokering, and originating at all future times.

10. The Parties hereto agree that nothing in this Agreement shall prevent the Respondents from continuing to make loans secured by non-residential Maryland Real property or any other form of commercial loan or from holding back a mortgage when selling a property that Respondents own.

11. The Parties hereto agree that this Agreement shall be binding and enforceable in court by the Commissioner and by Respondents, shall be admissible in court, and shall be binding upon and inure to any of the Respondents' present and future owners, members, officers, employees, successors, and assignees.

12. The Parties hereto agree that any notices hereunder shall be effectively “delivered” when sent via overnight delivery or certified mail as follows:

a. To the Commissioner:

Commissioner of Financial Regulation
500 North Calvert Street, Suite 402
Baltimore, Maryland 21202-3651
ATTN: Gordon M. Cooley, Acting Commissioner

Copy to:

Rebecca J. Coleman, Esq.
Assistant Attorney General
500 North Calvert Street, Suite 406
Baltimore, Maryland 21202-3651

b. To Respondents:

Rose E. Travers
3640 Churchville Road
Aberdeen, Maryland 21001

Margaret D. Travers
3640 Churchville Road
Aberdeen, Maryland 21001

NOW, THEREFORE, it is, by the Maryland Commissioner of Financial Regulation, hereby

ORDERED that Respondents shall adhere to all terms of this Settlement Agreement and Consent Order; and it is

ORDERED that Respondents shall operate their business activities in full compliance with all statutes, regulations, and other laws governing mortgage lending, brokering, and/or originating in the State of Maryland, and shall continue to act in full compliance at all future times; and it is further

ORDERED that, in the event Respondents, or any of the owners, principals, directors,

officers, managers, members, employees, agents, or assignees of Respondents, violate any provision of this Settlement Agreement and Consent Order, or otherwise engage in the activities which formed the basis for the allegations set forth above, the Commissioner may, at the Commissioner's discretion, take any enforcement actions available under FI §§ 11-517 and 11-615, and FI § 2-115(b), as well as take any other enforcement actions as permitted by, and in accordance with, applicable State law; and that such enforcement actions could include an order to cease and desist, civil money penalties of up to \$5,000 for each violation and up to \$5,000 for each subsequent violation, an order to provide restitution of money or property to any aggrieved persons, an action for relief in Maryland Circuit Court, and/or referral for possible criminal prosecution; and it is further

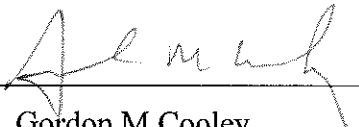
ORDERED that this matter shall be resolved in accordance with the terms of this Settlement Agreement and Consent Order and the same shall be reflected among the records of the Office of the Commissioner of Financial Regulation; and it is further

ORDERED that this document shall constitute a Final Order of the Maryland Commissioner of Financial Regulation and, that the Commissioner may consider this Settlement Agreement and Consent Order and the facts set forth herein in connection with, and in deciding, any subsequent action or proceeding before the Commissioner; and that this Settlement Agreement and Consent Order may, if relevant, be admitted into evidence in any matter before the Commissioner.


It is so **ORDERED**.

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

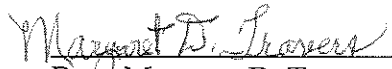
**MARYLAND COMMISSIONER
OF FINANCIAL REGULATION**


By: Gordon M Cooley,
Acting Commissioner

ROSE E. TRAVERS,


By: Rose E. Travers
Individually

MARGARET D. TRAVERS


By: Margaret D. Travers
Individually

WAIVER, RENUNCIATION AND DISCLAIMER

THIS WAIVER, RENUNCIATION AND DISCLAIMER ("this Renunciation"), regardless of the date it is finally executed, is deemed to have been made as of the _____ day of _____, 2015, by _____ Travers ("Mortgagee").

Whereas, on _____, _____, Mortgagee made a loan in the principal sum of _____ dollars (\$_____) (the "Loan") to _____, (individually and collectively, "Mortgagor"), which Loan is evidenced and secured by a mortgage (the "Mortgage") on that certain real property commonly known as _____ (the "Property"), as more particularly described in the Mortgage, which Mortgage was duly filed in and recorded among the Land Records of _____ County, Maryland, in Liber _____, Folio _____; and

Whereas, Mortgagee has heretofore entered into a certain Consent Agreement with the Maryland Commissioner of Financial Regulation as a part of which Mortgagee has agreed, on behalf of Mortgagee and Mortgagee's heirs, personal representatives, successors and assigns, to wholly waive, renounce and disclaim all rights that Mortgagee has, had, or may have had, absent this Renunciation, to enforce any provision in the Mortgage (other than default provisions) providing for a balloon payment whereby the Loan evidenced and secured by the Mortgage would become due and payable at the sole option of Mortgagee sooner than the maturity date by which the Mortgage would otherwise become fully amortized and paid in full if Mortgagor timely made all periodic installment payments of principal and interest at the interest rate required by the Mortgage, whether or not such maturity date was specified in the Mortgage (hereinafter referred to as the "Mortgage Balloon Payment Provision.").

NOW, THEREFORE, the undersigned Mortgagee, on behalf of Mortgagee and Mortgagee's heirs, personal representatives, successors and assigns, does hereby wholly waive, renounce and disclaim all rights that Mortgagee has, had, or may have had, absent this Renunciation, to enforce any Mortgage Balloon Payment Provision in the Mortgage; provided, however, that this waiver, renunciation and disclaimer by Mortgagee shall have no application whatsoever to those provisions of the Mortgage other than the Mortgage Balloon Payment Provision, and applicable Maryland law, that relate to and concern what constitutes a default by Mortgagor under the Mortgage, and Mortgagee's rights and remedies, and Mortgagor's obligations, as a result of such default, including, without limiting the generality of the foregoing, Mortgagee's right to accelerate the outstanding principal balance of the Mortgage and all accrued but unpaid interest thereon, and any other lawful fees and charges, upon default by the Mortgagor.

IN WITNESS WHEREOF, I have executed this Waiver, Renunciation and Disclaimer Renunciation, under seal, on the date indicated below.

WITNESS _____ TRAVERS

_____ [SEAL]

ACKNOWLEDGMENT

I HEREBY CERTIFY, that on this ____ day of _____, 2015, personally appeared before me _____ Travers, personally known to me, or satisfactorily proven to be, the person executing the foregoing Waiver, Renunciation and Disclaimer, and acknowledged the same to be her act and deed for the purposes therein contained.

Notary Public

My Commission Expires _____

[Notary Seal]

CERTIFICATION

I HEREBY CERTIFY, that the foregoing Waiver, Renunciation and Disclaimer was prepared by J. Steven Lovejoy, Esquire, an attorney-at-law duly admitted to practice before the Court of Appeals of Maryland.

J. Steven Lovejoy, Esquire