



## Massachusetts Division of Banks

# 2020 Annual Enforcement Report

## Depository & Non-Depository Entities

Released: February 2021

### 2020 Enforcement Actions

For a complete list of all public orders by year, use the following link: [Massachusetts DOB Enforcement Actions](#).

Additional information can be found at The Division of Banks [website](#).

The Division of Banks issued a total of **36** formal and informal regulatory Enforcement Orders which included the **13** formal public orders listed below during 2020.

#### Mortgage Companies

Nationstar Mortgage, LLC d/b/a Mr. Cooper	<a href="#">Settlement Agreement and Consent Order</a>
Decision Mortgage Company, Inc.	<a href="#">Order of Suspension</a>
Poli Mortgage Group, Inc.	<a href="#">Consent Order</a>
Freedom Mortgage Corporation	<a href="#">Consent Order</a>

#### Mortgage Loan Originators

David Kravets	<a href="#">Consent Order</a>
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#### Third Party Loan Servicers

Affirm, Inc.	<a href="#">Agreement</a>
UNISA, Inc.	<a href="#">Consent Order</a>

#### Motor Vehicle Sales and Finance Companies

Ralph Cerundolo d/b/a Recreational Finance Company	<a href="#">Consent Order</a>
Source one Financial Corporation	<a href="#">Consent Order</a>

#### Foreign Transmittal Companies

Hashi Money Wiring, LLS	<a href="#">Consent Order</a>
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#### Debt Collectors

Fair Collections & Outsourcing of New England, Inc.	<a href="#">Consent Order</a>
Reunion Student Loan Finance Corporation	<a href="#">Cease Directive</a>

#### Check Cashers

Low Price Convenience	<a href="#">Cease Directive</a>
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### Termination of Consent Orders:

**Lendingclub Corporation:** Consent Order was terminated on December 17, 2020.

**MLD Mortgage Inc., d/b/a The Money Store:** Consent Order of October 28, 2011 was terminated on December 1, 2020.

**Semper Home Loans, Inc.:** Consent Order was terminated on November 24, 2020.

**Home Point Financial Corporation:** Consent Order was terminated on September 8, 2020.

**Ralph Cerundolo dba Recreational Finance Company:** Consent Order of October 9, 2014 was superseded and replaced by Consent Order of September 2, 2020.

**Source One Financial Corporation:** Consent Order of December 5, 2013 was terminated and replaced by Consent Order of August 26, 2020.

**Freedom Mortgage Corporation:** Consent Order of August 21, 2016 was superseded and replaced by Consent Order of July 30, 2020.

**Sierra Pacific Mortgage Company, Inc.:** Consent Order was terminated on April 1, 2020.

**State Street Corporation:** Written Agreement was terminated on May 29, 2020.

## Penalties, Consumer Reimbursements, and Consumer Complaints

Administrative Penalties Collected	\$2,571,096.79
Consumer Reimbursements Returned	\$2,582,336.03
<b>Total</b>	<b>\$5,153,432.82</b>
Total Number of Consumers Reimbursed	3,972
Consumer Complaints Processed	253

## 2020 Key Agency Actions

- Massachusetts Governor Baker declared a State of Emergency in Massachusetts on March 10, 2020 and the Division of Banks established a dedicated page on its website containing resources related to COVID-19 for guidance to financial institutions, consumers, and small businesses. The page sets forth consumer and small business resources, state and federal guidance, and other coronavirus resources. It is updated with pertinent information. The full resource page can be accessed [here](#).
- The Division issued and/or posted the following Industry Guidance Related to COVID-19:
  - March 9 – [Federal and State Regulators Encourage Consumer Support During the Coronavirus Crisis](#)
  - March 11 – [Business Continuity Preparedness for Massachusetts Licensees](#)
  - March 12 – [Massachusetts Mortgage Lender Licensees Funding Guidance](#)
  - March 16 – [Statement on Financial Institutions Working with Customers impacted by COVID-19](#)
  - March 19 – [Division of Banks Joins Federal Agencies in Promoting CRA Consideration](#)  
[Massachusetts Notification Protocol for Licensees](#)
  - March 23 – [Governor Baker declares that Financial Services are “Essential Services”](#)
  - March 25 – [Message to Encourage Assistance to Impacted Mortgage Borrowers](#)
  - March 30 – [Reporting Deadline Changes for Massachusetts Licensees and Registrants](#)
  - April 6 – [DOB Industry Guidance regarding SBA’s Paycheck Protection Program](#)
  - April 16 – [Division of Banks Cyber Threat Notice](#)
  - April 21 – [Private Student Loan Relief Announced for Massachusetts Borrowers](#)
  - April 27 – [FAQs relating to Chapter 65 of the Acts of 2020: Moratorium on Evictions and Foreclosures](#)
  - April 28 – [Massachusetts Allows For Remote Notarization](#)
  - April 29 – [DOB Joins the CFPB in Providing Consumers Flexible Mortgage Options](#)
  - June 8 – [CFPB and CSBS Guidance on CARES Act Forbearance and Foreclosure](#)
  - June 23 – [Interagency Examiner Guidance for Assessing Safety and Soundness](#)

- The Division launched 3 series of webcasts for consumers and the financial services industry. These series focus on pandemic guidance, diversity, equity, and inclusion, and fintech.
  - Compliance Strong Series: Pandemic Guidance for the financial industry
    - March 24 – [Responding to Needs of Consumers in Midst of COVID-19](#)
    - April 9 – [Mortgage Modifications: Perspectives and Considerations](#)
    - April 23 – [Small Business Credit and Fair Lending Guidance](#)
    - May 19 – [Staying Strong for our Employees, Customers, and Community](#)
    - June 4 – [Cybersecurity Preparedness at Financial Institutions During and After the Pandemic](#)
    - July 1 – [Strategies for Maintaining Fair Lending Compliance](#)
  - Diversity and Inclusion: Featuring discussions with community-centric organizations on building a culture of change and successful leadership around diversity, equity, and inclusion
    - August 5 – [Diversity, Equity, and Inclusion: A Priority for the Financial Industry and for Regulators](#)
    - September 2 – [How to Be a Successful Leader and Catalyst for Diversity](#)
    - December 7 – [A Call for Action: Playbooks of Two Inclusive Leaders](#)
  - Fintech: Featuring dialogues between state regulators and fintech entrepreneurs in Massachusetts
    - October 21 – [An Interview with FiVerity: AI for Cyber Fraud Detection](#)
    - November 12 – [An Interview with MassChallenge: A Zero-Equity Startup Accelerator](#)

The full list of DOB connects webcasts can be [here](#).

- On July 18, the Baker-Polito Administration extended until October 17 Chapter 65 of the Acts of 2020, An Act Providing for a Moratorium on Evictions and Foreclosures during the COVID-19 Emergency which was set to expire on August 18. In response, the Division updated its frequently asked questions (FAQs) which can be found [here](#).
- In July, the FBI reported a spike in fraudulent unemployment insurance claims related to the ongoing COVID-19 pandemic involving the use of stolen personally identifiable information (PII). The Division posted information about the methods used in this fraud and how to combat them. Read the information [here](#).
- Prior to the coronavirus emergency, the Division held a series of public meetings for the **Special Commission to Plan, Develop, and Implement Strategies to Support and Promote Minority-Owned Real Estate and Financial Services** and on March 13, 2010 the final report of the Special Commission was published. It can be read [here](#).
- On March 11, 2020 the Division of Banks, in conjunction with the Office of Consumer Affairs and Business Regulation and the State Treasurer's Office, announced the second round of Financial Literacy Education Grant Winners for the 2019-2020 academic year. Through Credit for Life fairs, this funding offers high-quality experiential learning for high school students, allowing them to acquire the financial skills needed for preparation for entering college and the workforce. More information can be found [here](#).
- In support of *America Saves Week 2020*, February 24 through 29, the Division of Banks posted information from America Saves on its website. You can read the information [here](#).
- On June 11, 2020 the Division published its report of the results of the Paycheck Protection Program (PPP) survey it conducted in May. The survey was sent to all Massachusetts state-chartered banks and credit unions to gauge their participation in and experience with the Small Business Administration's program. The full report can be read [here](#).

- In July, the Division announced \$1,500,000 in grants to support foreclosure prevention education and first-time homebuyer counseling programs throughout the Commonwealth. Twenty awards in total were made to ten consumer counseling organizations and ten foreclosure prevention regional centers. This is the thirteenth-consecutive year the Division has awarded financial education and foreclosure prevention funds to support Massachusetts residents pursuing homeownership opportunities as well as those families working to stay in their homes. Read more about these grants [here](#).
- In September, the Massachusetts Division of Banks, along with the Federal Trade Commission and more than 50 federal and state law enforcement partners, announced a nationwide law enforcement and outreach initiative to protect consumers from phantom debt collection and abusive and threatening debt collection practices. Information about the initiative, called **Operation Corrupt Collector**, can be found [here](#). In addition, the Division posted [Steps to Take When Called by a Debt Collector](#) and a [Know Your Rights](#) video to assist consumers when they are faced with these abusive practices.
- In December the Massachusetts Division of Banks joined other state regulators and the U.S. Secret Service in issuing a ransomware mitigation tool for nonbank companies. More information about this tool can be found [here](#). In addition, The Division, other state financial regulators, the Bankers Electronic Crimes Task Force, and the U.S. Secret Service, issued a self-assessment tool for banks in an effort to help mitigate ransomware attacks. More information can be found [here](#). These ready-to-use ransomware tools allow banks and nonbanks, as well as outside security consultants and auditors, to assess an organization's efforts to control and mitigate risks associated with the threat of ransomware and identify gaps that require increased security.