

COMMONWEALTH OF MASSACHUSETTS

Suffolk, SS.

COMMISSIONER OF BANKS

MOTOR VEHICLE SALES
FINANCE COMPANY
LICENSING

Docket No.: 2024-012

_____)	
In the Matter of)	
HARBOR FINANCE COMPANY, INC.)	CONSENT ORDER
Abington, Massachusetts)	
)	
Motor Vehicle Sales Finance Company)	
License No. MV0181)	
NMLS No. 945370)	
_____)	

WHEREAS, HARBOR FINANCE COMPANY, INC., Abington, Massachusetts (Harbor Finance or the Corporation), a licensed motor vehicle sales finance company under Massachusetts General Laws (M.G.L.) chapter 255B, section 2 has entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER (Consent Agreement) with representatives of the Division of Banks (Division) dated December 31, 2024 whereby, solely for the purpose of settling this matter, and without admitting any allegations or implications of fact or the existence of any violation of state or federal laws and regulations governing the conduct and operation of a motor vehicle sales finance company, Harbor Finance agrees to the issuance of this CONSENT ORDER (Consent Order) by the Commissioner of Banks (Commissioner);

WHEREAS, an examination of Harbor Finance was conducted pursuant to General Laws chapter 255B, section 3 as of February 20, 2024 to assess the Corporation's level of compliance with applicable Massachusetts and federal statutes, rules, and regulations governing the conduct of those engaged in the motor vehicle sales finance business in the Commonwealth;

WHEREAS, the Report of Examination (the Report) issued pursuant to the Division's examination of Harbor Finance alleged substantial non-compliance with applicable state and federal statutes, rules, and regulations governing the conduct of those engaged in the motor vehicle sales finance business; and

WHEREAS, during a telephone call with Division representatives on December 19, 2024, Harbor Finance indicated its intention to cease conducting motor vehicle sales finance activities in Massachusetts; and stated it will surrender its Massachusetts motor vehicle sales finance company license;

WHEREAS, the parties now seek to resolve by mutual agreement the matters identified in the Report.

ORDER

NOW COME the parties in the above-captioned matter, the Division and Harbor Finance, and stipulate and agree as follows:

1. Harbor Finance shall immediately surrender its Massachusetts motor vehicle sales finance company license by submitting a "Request to Surrender" to the Division through the Nationwide Multi-State Licensing System & Registry (NMLS).

2. Within thirty (30) days from the execution of this Consent Order, Harbor Finance shall conduct a portfolio review of all repossessions since February 20, 2020 to identify cases where the Corporation repossessed vehicles without providing borrowers with the notice of their right to cure the default, or the full twenty-one day period to cure the default. Harbor Finance shall reimburse the identified borrowers for all fees assessed in connection with such repossessions by issuing refund checks or making account adjustments, as appropriate.

- a) Harbor Finance shall submit to the Division documentation of the portfolio reviews and consumer reimbursements issued pursuant to this section of the Consent Order in accordance with the instructions set forth in the Report.

3. It is understood that if Harbor Finance continues to be a “holder” of the motor vehicle retail installment contracts, as defined under section 1 of M.G.L. chapter 255B, it remains subject to applicable consumer protection provisions of chapters 255B. It is also understood that the Commissioner has the power to conduct investigations and enforce the relevant statutory requirements pursuant to M.G.L. c. 255B, section 6.

4. Nothing in this Consent Order will be construed as permitting Harbor Finance to violate any law, rule, regulation, or regulatory bulletin to which the Corporation is subject.

5. This Consent Order will become effective immediately upon the date of its issuance.

6. The provisions of this Consent Order are binding upon Harbor Finance, its owner, officers and directors, and their successors and assigns.

7. The provisions of this Consent Order will remain effective and enforceable except to the extent that, and until such time as, any provisions of this Consent Order will have been modified, terminated, suspended, or set aside by the Commissioner or upon an order of a court of competent jurisdiction.

8. This Consent Order and the Consent Agreement are the complete documents representing the resolution of this matter and shall supersede and replace all other agreements or informal regulatory actions between the Division and Harbor Finance.

BY ORDER AND DIRECTION OF THE COMMISSIONER OF BANKS:

Dated at Boston, Massachusetts, this 31st day of December, 2024.

By:
Mary L. Gallagher
Commissioner of Banks
Commonwealth of Massachusetts