

COMMONWEALTH OF MASSACHUSETTS

Suffolk, SS.

COMMISSIONER OF BANKS

SMALL LOAN COMPANY

Docket No. 2021-007

In the Matter of

LENDINGTREE, LLC
Charlotte, North Carolina
NMLS# 1136

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CONSENT ORDER

WHEREAS,

LENDINGTREE, LLC (LendingTree or the Company), a licensed small loan company under General Laws chapter 140, section 96 and 209 CMR 20.00 *et seq.*, has been advised of its rights to Notice and Hearing pursuant to General Laws chapter 30A, section 10, and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER (Consent Agreement) with the Division of Banks (Division) dated December 7, 2021 whereby, solely for the purpose of settling the allegations contained herein and without admitting any allegations of fact or the existence of any violations of law, LendingTree agrees to the issuance of this CONSENT ORDER (Consent Order) by the Commissioner of Banks (Commissioner);

WHEREAS, the Commissioner has jurisdiction over the licensing and regulation of persons and entities engaged in the business of a small loan company in Massachusetts pursuant to Massachusetts General Laws chapter 140, section 96;

WHEREAS, the Commissioner is charged with the administration of Massachusetts

General Laws chapter 140, sections 96 through 114A, inclusive and applicable regulations found and 209 CMR 20.00 *et seq.*, and 209 CMR 26.00 *et seq.*, relating to the licensing and regulation of small loan companies;

WHEREAS, an examination of LendingTree was conducted pursuant to General Laws chapter 140, section 97 as of October 26, 2020 to assess the Company's level of compliance with applicable Massachusetts and federal statutes, rules, and regulations governing the conduct of those engaged in the business of a small loan company in the Commonwealth;

WHEREAS, the review period for the examination was September 19, 2018 through October 26, 2020;

WHEREAS, the Report of Examination (the Report) issued pursuant to the Division's examination of LendingTree as of October 26, 2020 alleged non-compliance with applicable statutes, rules, and regulations governing the conduct of those engaged in the business of a small loan company in Massachusetts;

WHEREAS, Massachusetts General Laws 140, sections 96 through 114A requires entities to be licensed by the Commissioner of Banks if they are engaged, directly or indirectly, in the business of making loans of \$6,000.00 or less and the interest and expenses paid on the loan exceed in the aggregate 12 percent per annum in the loan amount (small loans). This includes negotiating, arranging, aiding or assisting the borrower or lender in procuring or making small loans;

WHEREAS, books and records reviewed by the Division's examiners form the basis for allegations that LendingTree facilitated small loans through an unlicensed entity during the examination review period;

WHEREAS, the Division's regulation at 209 CMR 26.01(a), the Small Loan Rate Order, sets forth a maximum interest rate for small loans at "23% per annum of the unpaid balances of the

amount financed calculated according to the actuarial method plus an administrative fee of \$20 upon the granting of a loan”;

WHEREAS, books and records reviewed by the Division’s examiners form the basis for allegations that that LendingTree facilitated small loans with rates that are in excess of the interest rate thresholds set forth by the small loan rate order;

WHEREAS, the parties now seek to resolve by mutual agreement the allegations identified above.

ORDER

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

1. The Company shall pay an administrative penalty to the Division in the amount of thirty-four thousand dollars (\$34,000). The penalty shall be due upon execution and shall be payable by check to the “Commonwealth of Massachusetts,” mailed to the Division of Banks, Attn: Consumer Finance Examination Unit, 1000 Washington Street, 10th Floor, Boston, Massachusetts 02118.
2. LendingTree shall immediately cease facilitating small loans through unlicensed entities.
3. LendingTree shall immediately cease facilitating small loans with rates that are in violation of General Laws chapter 140, section 100 and 209 CMR 26.01.
4. LendingTree shall establish, implement, and maintain an effective overall compliance management system, including but not limited to, adequate policies and procedures to ensure that its third-party partners have obtained the proper license or

are otherwise authorized to do business in Massachusetts, and offer interest rates allowable under applicable law.

5. Nothing in this Consent Order shall be construed as permitting LendingTree to violate any law, rule, regulation, or regulatory bulletin to which the Company is subject.
6. Failure to comply with the terms of this Consent Order shall constitute grounds for formal regulatory action pursuant to applicable provisions of the General Laws of the Commonwealth of Massachusetts.
7. This Consent Order shall become effective immediately upon the date of its issuance.
8. The provisions of this Consent Order shall be binding upon LendingTree and its respective subsidiaries, its officers and directors, and its successors and assigns.
9. In consideration of this Consent Order, the Division agrees not to pursue any other remedial measures, sanctions, or penalties relative to this matter unless the Division is made aware of material misrepresentations or omissions by LendingTree in connection with this matter, or unless LendingTree fails to comply with the terms of this Consent Order.
10. The provisions of this Consent Order shall not limit, estop, or otherwise prevent any other state agency or department from taking any other action under separate authority affecting the Company or any of its officers and directors, or their successors or assigns.

11. The provisions of this Consent Order shall remain effective and enforceable except to the extent that and until such time as the Commissioner or a court of competent jurisdiction modifies, terminates, suspends, or sets aside any provision of this Consent Order.
12. In accordance with the terms of the Consent Agreement entered into by LendingTree and the Commissioner, LendingTree has waived all rights of appeal that it may have relative to this Consent Order or any of its provisions.
13. This Consent Order and the Consent Agreement are the complete documents representing the resolution of these allegations. This Consent Order and Consent Agreement supersede and replace any other existing agreements or informal regulatory actions between the Division and LendingTree.

BY ORDER AND DIRECTION OF THE COMMISSIONER OF BANKS:

Dated at Boston, Massachusetts, this 7th day of December, 2021

By: /s/ Mary L. Gallagher
Mary L. Gallagher
Commissioner of Banks