

COMMONWEALTH OF MASSACHUSETTS

Suffolk, SS.

COMMISSIONER OF BANKS

MOTOR VEHICLE SALES
FINANCE COMPANY
LICENSING AND
RETAIL INSTALLMENT
SALES FINANCE LICENSING

Docket No.: 2024-005

_____)	
In the Matter of)	
TWO WHEELER FINANCE, LLC)	CONSENT ORDER
Beverly, Massachusetts)	
)	
Motor Vehicle Sales Finance)	
Company License No. MV112404-100)	
)	
Retail Installment Sales Finance)	
Company License No. RI112404-101)	
_____)	

WHEREAS, TWO WHEELER FINANCE, LLC, Beverly, Massachusetts (Two Wheeler or the Company), a licensed motor vehicle sales finance company under Massachusetts General Laws (M.G.L.) chapter 255B, section 2 and a licensed retail installment sales finance company under M.G.L. c. 255D and 209 CMR 20.00 *et seq.* 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 November 4, 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 or a retail installments sales finance company, Two Wheeler agrees to the issuance of this CONSENT ORDER (Consent Order) by the Commissioner of Banks (Commissioner);

WHEREAS, an examination of Two Wheeler was conducted for the period 2020 - 2021 pursuant to M.G.L. chapter 255B, section 3 as of April 4, 2022 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 consumer finance businesses for which the Company was licensed in the Commonwealth;

WHEREAS, the Report of Examination (the Report) issued pursuant to the Division's examination of Two Wheeler alleged substantial non-compliance with applicable state statutes, rules, and regulations governing the conduct of those engaged in the consumer finance businesses for which the Company was licensed in the Commonwealth; and

WHEREAS Ironhorse Funding LLC (Ironhorse) is a registered Third Party Loan Servicer (LS1743763) that was engaged by Two Wheeler as the Company's servicer of all Massachusetts consumer accounts;

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 Two Wheeler, and stipulate and agree as follows:

1. Two Wheeler shall ensure its retail installment contracts are serviced in compliance with applicable Massachusetts and federal statutes, rules, and regulations governing the conduct of those engaged in the consumer finance businesses for which the Company is licensed. Specifically, the Company shall ensure compliance with the requirements governing loan servicing and collateral repossession set forth in the Report and set forth in M.G.L chapter 255B.

2. Two Wheeler asserts that it has caused its servicer, Ironhorse, to (i) enhance its document management systems and procedures; (ii) engage a third-party document vendor and tests its output for accuracy; and (iii) provide additional staff training to ensure that records Ironhorse maintains on the Company's behalf are maintained in a manner sufficient to evidence compliance with applicable statutes and regulations, in accordance with the record keeping requirements specified by the Division's regulations 209 CMR 20.05 and 209 CMR 48.03. Without limiting the foregoing, it is understood that Two Wheeler, through its servicer, Ironhorse, shall maintain records relating to repossession, including but not limited to, all documents related to a consumer's default and all records relating to the disposition of the collateral following repossession.

3. Two Wheeler, through its servicer, Ironhorse, shall ensure the portfolio reviews detailed in the Report are conducted to determine which accounts are eligible for refunds based on the findings of the Examination. The Company shall ensure deficiency balances are adjusted and the credit bureaus are updated accordingly or refund checks are issued, as appropriate. By December 31, 2024, Two Wheeler, through its servicer, Ironhorse, shall submit to the Division documentation of the portfolio reviews and consumer reimbursements issued pursuant to this Consent Order in accordance with instructions set forth in the Report. Two Wheeler shall maintain sufficient information evidencing the review and refunds in its books and records until the Division conducts its next examination.

4. Two Wheeler shall establish, implement, and maintain a written information security program that is appropriate for the Company's business operations and is compliant with the requirements set forth in the Office of Consumer Affairs and Business Regulation's (OCABR) regulation 201 CMR 17.00 *et seq.*

5. Two Wheeler Road shall pay an administrative penalty to the Division in the amount of fifteen thousand dollars (\$15,000.00). The payment shall be submitted with the executed copy of the Consent Agreement and shall be payable by check to the “Commonwealth of Massachusetts” and mailed to the Division of Banks, Attn: Consumer Finance Examination Unit, 1000 Washington Street, 10th Floor, Boston, Massachusetts 02118.

6. Two Wheeler shall develop, implement, and maintain an in-depth monitoring and/or audit program to ensure the Company’s servicer is operating in compliance with applicable consumer protection requirements.

7. Two Wheeler shall maintain an effective compliance management system. The Company must ensure that the board and senior management have sufficient resources dedicated to the administration of the compliance program. The compliance program must include adequate policies and procedures, effective internal monitoring on an ongoing basis, and sufficient training to ensure management and employees are familiar with statutory and regulatory requirements. An effective compliance management system must also include periodic independent testing of Two Wheeler’s programs and operations with sufficient scope and depth to determine whether the Company is operating in compliance with applicable consumer protection requirements. The compliance management system must incorporate compliance with Massachusetts specific consumer protection requirements.

8. Two Wheeler shall address all matters requiring attention set forth in the Report within the time frames contained therein. Two Wheeler shall also adopt and implement any corrective actions discussed in the Report that are not specifically addressed by the provisions of this Consent Order.

9. By the thirtieth (30th) day after the end of each calendar quarter following the effective

date of this Consent Order, Two Wheeler shall furnish, through its servicer, Ironhorse, written progress reports to the Division, which address and include the following:

- a) A description of the form, content, and manner of any actions taken to address each Section of this Consent Order and the results thereof; and
- b) Written findings prepared by Two Wheeler detailing a review of management's and staff persons' adherence to the policies, programs, and procedures adopted pursuant to this Consent Order and to applicable statutes, regulations, and rules, as well as a description of any operational changes implemented during such quarter which are intended to improve Two Wheeler's compliance condition in Massachusetts, and the results thereof.

10. The reporting requirement to the Division referenced in Section 9 of this Consent Order will remain in effect and must not be amended or rescinded without the prior written modification, termination, or suspension of the applicable provision of this Consent Order from the Commissioner.

11. The provisions of this Consent Order shall not limit, estop, or otherwise prevent the Division, or any other state agency or department, from taking any other action affecting Two Wheeler, its successors or assigns, if Two Wheeler fails to fully and promptly comply with the above provisions.

12. Nothing in this Consent Order will be construed as permitting Two Wheeler to violate any law, rule, regulation, or regulatory bulletin to which the Company is subject.

13. In consideration of the foregoing Consent Order, the Division agrees not to pursue formal measures, relative to this matter, to suspend or revoke Two Wheeler's motor vehicle sales finance company license or its retail installment sales finance company license while this Consent Order is in effect.

14. Failure to comply with the terms of this Consent Order will constitute grounds for license suspension and/or revocation pursuant to applicable provisions of the General Laws of the

Commonwealth of Massachusetts.

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

16. The provisions of this Consent Order are binding upon Two Wheeler, its owner, officers and directors, and their successors and assigns.

17. 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.

18. 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 Two Wheeler.

BY ORDER AND DIRECTION OF THE COMMISSIONER OF BANKS:

Dated at Boston, Massachusetts, this 4th day of November, 2024.

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