



Massachusetts Division of Banks

2017 Annual Enforcement Report

Depository & Non-Depository Entities

Released: January 2018

2017 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 **106** formal and informal regulatory Enforcement Orders which included the **20** formal public orders listed below during 2017.

Mortgage Companies

PHH Mortgage Corporation	Consent Order and Settlement Agreement
American Advisors Group	Settlement Agreement
SB Accent, LLC and Susie Bee, Individually	Consent Order
Seckel Capital, LLC and John M. Seckel, Individually	Consent Order
American Neighborhood Mortgage Acceptance Company, LLC, d/b/a Annimac Home Mortgage	Consent Order
Rick Palmer Lacoss II	Consent Order
Silva Bros. Investment, Inc.	Consent Order
Ocwen Loan Servicing, LLC	Temporary Cease and Desist Order
Direct Finance Corporation	Final Order and Decision

Motor Vehicle Sales Finance Companies

American Credit Acceptance	Consent Order
State Road Auto Sales, Inc.	Cease Directive
Westlake Services, LLC, d/b/a Westlake Financial Services and Western Funding, Inc.	Consent Order
Cedar Auto Sales, LLC	Consent Order
New City Funding Corporation	Consent Order

Foreign Transmittal Companies

Money in a Day, LLC and Supawadee Chauvette, Individually	Cease Directive
Pearl of Africa Store and Ismael N. Rajab, Individually	Cease Directive

Debt Collectors

The Money Source, LLC	Consent Order
Allied Interstate, LLC; Receivable Management Services – Recovery Division, LLC (subsidiaries of IQor Holding, Inc.)	Consent Order

Check Cashers

Mayfair Foods, Inc.	Cease Directive
NK Market, Inc. d/b/a Post Road Pantry Convenience	Cease Directive

Termination of Consent Orders:

New England Regional Mortgage Corporation
National Capital Mortgage
Meetinghouse Bank
PayPal, Inc.
Village Mortgage Company
Custom Financial Mortgage Corporation

Penalties, Consumer Reimbursements, and Consumer Complaints

Administrative Penalties Collected	\$1,864,600.00
Consumer Reimbursements Returned	\$383,384.69
Total	\$2,247,984.69
Consumer Complaints Processed	261

2017 Enforcement Highlights

- The Division, in collaboration with the Division of Professional Licensure and the Registry of Motor Vehicles, canvassed approximately 200 car dealerships statewide to identify unlicensed lending activity and/or unfair or deceptive acts or practices associated with the sales and financing of used automobiles. The effort resulted in five enforcement actions, 135 cease directives, \$170,000 in fines and penalties, and more than \$200,000 in consumer reimbursements. More detailed information can be found [here](#).
- The Division reached a \$500K joint settlement over improper debt collection practices at IQor Holdings, Inc. and subsidiaries. Along with financial regulators of four other states, the Division found that two subsidiaries of IQor Holdings Inc., Allied Interstate, LLC, and The Receivable Management Services Corporation and its wholly owned subsidiary Receivable Management Services, failed to comply with state and federal consumer protection laws related to debt collection practices. The agreement requires corrective actions by the two companies and a settlement payment of \$500,000 to be distributed equally among the five states. More information can be found [here](#).
- The Division, in conjunction with over 20 other states, issued a Cease and Desist Order to Ocwen Loan Servicing, LLC. This directive addresses several years' of unresolved issues related to Ocwen's overall operations and management. Multistate examinations and monitoring revealed serious violations of consumer protection statutes and regulations as well as significant concerns with Ocwen's ability to remain a going concern.
- The Division reached a \$44 million joint settlement with PHH Mortgage Corporation for significant deficiencies in mortgage loan servicing. The agreement, reached between the Division, financial regulators of 46 other states, and 49 attorneys general, requires corrective actions by PHH which includes consumer restitution of \$31 Million, and a penalty of \$8.8 Million to state regulators. More information can be found [here](#).

2017 Key Agency Initiatives

- On World Elder Abuse Awareness Day, the Division of Banks announced its initiative to prevent senior financial abuse. While thought to be highly underreported, the National Council on Aging estimates that as many as five million elders in the U.S. are robbed or defrauded of up to \$36.5 billion annually. The Division, in conjunction with the Executive Office of Elder Affairs and banking and credit union associations, completed an updated training program for banks and credit union personnel. The Division also participated in a briefing panel on the prevention of elder financial exploitation organized by the Office of Consumer Affairs and Business Regulation. More information on this initiative can be found [here](#).
- The Division partnered with the Texas Department of Banking, other state regulatory agencies, financial institutions, and law enforcement representatives to update financial industry executives on the current cyber threat landscape for financial institutions as well as resources and best practices to manage cyber threats. Over 130 CEOs, directors, and IT executives attended this important cyber event.