



Massachusetts Division of Banks

2018 Annual Enforcement Report

Depository & Non-Depository Entities

Released: January 2019

2018 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 **65** formal and informal regulatory Enforcement Orders which included the **17** formal public orders listed below during 2018.

<u>Mortgage Companies</u>	
MLD Mortgage, Inc. dba The Money Store and Mortgage Lending Direct	Consent Order
Home Point Financial Corporation	Consent Order
Ocwen Loan Servicing, LLC	Consent Order
Quicken Loans, Inc. and One Reverse Mortgage, LLC	Consent Order
Boston Common Mortgage, Inc.	Consent Order
myCUMortgage, LLC	Consent Order
MiLend, Inc.	Consent Order
<u>Small Loan Companies</u>	
LendingClub Corporation and Springstone Financial, LLC	Consent Order
NCA Finance Partners I, LLC and New Credit America, LLA	Consent Order
<u>Third Party Loan Servicers</u>	
Freedom Financial Asset Management, LLC	Consent Order
<u>Foreign Transmittal Companies</u>	
Money in a Day, LLC and Supawadee Chauvette, individually	Consent Order
Pearl of Africa Store and Ismael N. Rajab, Individually	Consent Order
<u>Debt Collectors</u>	
PBCM of West Virginia, Inc. and Sarely Justice, Individually	Consent Order
Debt Management, Inc.	Consent Order
<u>Check Cashers</u>	
Reyes Check Cashing, Inc.	Cease Directive
Reyes Check Cashing, Inc.	Consent Order
<u>Credit Reporting Companies</u>	
Equifax, Inc.	Consent Oder

Termination of Consent Orders:

Sun Mortgage Company

MiLend, Inc.

Norwich Commercial Group, Inc. dba Norcom Mortgage and dba Mortgage Force

Penalties, Consumer Reimbursements, and Consumer Complaints

Administrative Penalties Collected	\$4,625,061.21
Consumer Reimbursements Returned	\$1,189,915.69
Total	\$5,814,976.90
Total Number of Consumers Reimbursed	13,712
Consumer Complaints Processed	242

2018 Enforcement Highlights

- In late 2017, Equifax, one of the country's three major credit reporting agencies, disclosed a major data security breach impacting the personal information of an estimated 146 million U.S. consumers. In June 2018, state financial regulators from seven states, including Massachusetts, announced that they entered into a Consent Order requiring the company to remediate the deficiencies and unsafe practices that contributed to this extensive security breach. The press release from the Office of Consumer Affairs and Business Regulation and the Division of Banks can be read [here](#).
- In April 2017, Massachusetts, along with twenty-one other state regulators, issued public regulatory orders and charges against Ocwen Loan Servicing for violations of state and federal laws. To resolve these charges, a penalty of \$1,000,000 was paid to the Commonwealth, and Ocwen agreed to numerous corrective measures including the transfer of all Massachusetts consumer loans onto a new servicing platform. The full text of the press release can be found on the Division's website [here](#).

2018 Key Agency Initiatives

- As part of its Elder Financial Abuse Initiative, the Division of Banks joined The Office of Consumer Affairs and Business Regulation, the Executive Office of Elder Affairs, and the Office of the Middlesex County District Attorney at a forum held on January 17th on elder financial abuse to educate Massachusetts residents on how to identify and prevent elder financial abuse. You can find out more about this event on our website at [link](#).
- To foster communication between regulators and industry regarding financial technology, the Division, along with regulators from all 50 states and the District of Columbia, designated an Innovation Staff Contact. The Innovation Contact will be the primary contact for fintech officials, streamlining communication on money transmission, payments and lending. Additional information can be found [here](#).
- Massachusetts was one of seven initial states to pilot a multi-state compact to standardize key elements of the licensing process for money services businesses (MSB). More information is available [here](#).
- In response to the natural gas crisis in the Merrimack Valley, the Division of Banks issued an Industry Statement on September 21, 2018 to financial institutions. The Statement addresses activities that financial institutions could undertake, consistent with the goals of the Massachusetts Community Reinvestment Act, to help stabilize the impacted cities and towns. The Industry Statement can be found [here](#).

In addition, the Division posted a link on its [website](#) to the Emergency Business Loan Fund established to provide short term loans to area businesses in need.

- On September 19, 2018, the Division published its *Industry Letter Regarding Exemptions for Certain Nonprofit Entities From Mortgage Licensing Requirements* in order to provide immediate guidance to industry members on how to apply for the licensing exemption and the effect of recent changes to the law exempting mortgage loan originators working for certain non-profit mortgage lenders. This guidance was issued to implement certain provisions contained within Chapter 228 of the Acts of 2018. This document can be found [here](#).