

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS



DEPARTMENT OF BUSINESS REGULATION
DIVISION OF BANKING
1511 PONTIAC AVENUE, BUILDINGS 68, 69
CRANSTON, RI 02920

IN THE MATTER OF

NEW PENN FINANCIAL, LLC
d/b/a SHELLPOINT MORTGAGE SERVICING

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DBR No. 18BK003

CONSENT AGREEMENT

It is hereby agreed by and between the Rhode Island Department of Business Regulation ("Department"), Banking Division ("Division"), and New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing, Nationwide Multistate Licensing System Number 3013 ("Respondent"), as follows:

1. Effective July 1, 2015, "[n]o person shall engage within this state in the business of...[s]ervicing a loan, directly or indirectly, as a third-party loan servicer...without first obtaining a license or registration from the [Department] director or the director's designee." R.I. Gen. Laws § 19-14-2(a)(8).
2. On October 2, 2017, the Division received a Division of Banking Complaint Form ("Complaint") alleging that Shellpoint Mortgage Servicing did not follow the requirements of Banking Regulation 5, *Mortgage Foreclosure*, as to notice of the mediation conference owed the mortgagor (the Complainant) when attempting to foreclose on his property.

3. Respondent is a Limited Liability Company incorporated under the laws of Delaware on April 18, 2007, with its principal place of business located at 4000 Chemical Rd., Suite 200, Plymouth Meeting, Pennsylvania.
4. Respondent possesses a Rhode Island Lender License, No. 20102657LL, which was issued to it on March 2, 2010 – prior to the July 1, 2015 effective date of Rhode Island’s third-party loan servicer requirements.
5. The Respondent currently has two branches licensed with the Division as lenders, Branch NMLS ID # 108024 located in Columbia, Maryland and NMLS ID # 939402, located in St. Louis Park, Minnesota. The address from which Respondent interacted with the Complainant is located in Greenville, South Carolina. The Greenville, South Carolina location is not currently licensed by the Division in any manner.
6. On October 5, 2017, the Division sent Respondent a copy of the Complaint, along with requests for a response to the Complaint and to several specific questions related to the conduct of any third-party mortgage loan servicing activity.
7. On October 31, 2017, the Division received the Respondent’s application for a license to engage within this state in the business of third-party mortgage loan servicing (“Rhode Island Third Party Loan Servicer License” or “License”). Prior to that date, the Respondent neither possessed nor had applied for a License.
8. On November 2, 2017, Respondent sent the Division a response to the Complaint, along with supporting documentation, including a list of five hundred and thirty-six (536) loans which it did not originate that the Respondent was servicing in Rhode Island.
9. Respondent represents that the failure to obtain this License was an unintentional

oversight and the Respondent promptly made application for the required license once the Respondent was made aware of the error.

10. R.I. Gen. Laws § 19-14-23 entitled "Examinations and investigations" provides under subsection (e) that "[i]f the director, or his or her designee, has reason to believe that any person required to be licensed under this chapter is conducting a business without having first obtained a license under this chapter...the director, or his or her designee, may issue an order to that person commanding him or her to cease and desist from conducting that business." R.I. Gen. Laws § 19-14-23(f) further provides that "[t]he director may impose an administrative assessment...against any person named in an order issued under subsection (e)" in an amount up to \$1,000 "for each violation of [Chapter 19-14] or each act or omission that constitutes a basis for issuing the order."
11. R.I. Gen. Laws § 19-14-7 authorizes the Department to investigate applicants and gives the Department discretion to approve or deny applications including on the basis of whether the "financial responsibility, experience, character, and general fitness of the applicant" demonstrate that "the business will be operated honestly, fairly, and efficiently within the purposes of [Title 19]."
12. R.I. Gen. Laws § 19-14-12(a) also provides "Additional places of business may be maintained under the same license upon written application to the director, or the director's designee, for the establishment of an additional branch office. A separate application must be filed for each additional branch office being requested. At the time of the application, the licensee shall pay to, and for the use of the state an investigation fee as provided for in § 19-14-3. Upon the filing of the application, the director, or the

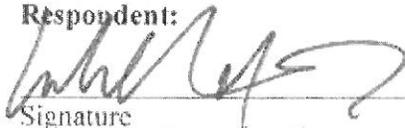
director's designee, shall investigate the facts, and if he or she finds that the requirements for licensure have been met, the director, or the director's designee, shall grant authority for the operation of the business under the license at the branch location. If the director, or the director's designee, shall not so find, he or she shall deny the licensee permission to establish the branch location in a manner consistent with the licensing application process. Upon approval of a branch location request, the licensee shall pay an additional annual licensing fee for each branch location in the manner consistent with the licensing application process."

13. Considering the Respondent's lender licensing history, cooperation with the Department, and limited Rhode Island consumer complaints regarding its third-party mortgage loan servicing activity in Rhode Island, the Division has elected to resolve this matter by agreement as authorized by R.I. Gen. Laws § 42-35-9(d). Specifically, the Division will grant the License subject to the Respondent's execution of this Consent Agreement, payment of an administrative assessment of ten-thousand and one hundred and eighty-four dollars (\$10,184) and fulfillment of any outstanding third-party loan servicer and branch application requirements.
14. By signing this Consent Agreement, the Respondent acknowledges that it must maintain the License in good standing, including timely renewal, in order to perform any third-party mortgage loan servicing activity in Rhode Island.
15. Waiver of Hearing and Appeal. By agreeing to resolve this matter through the execution of this Consent Agreement, Respondent knowingly and voluntarily waives any right to an administrative hearing and waives any right to pursue an appeal to the Superior Court

under the Rhode Island Administrative Procedures Act, R.I. Gen. Laws § 42-35-1 *et seq.*

CONSENTED AND AGREED TO BY:

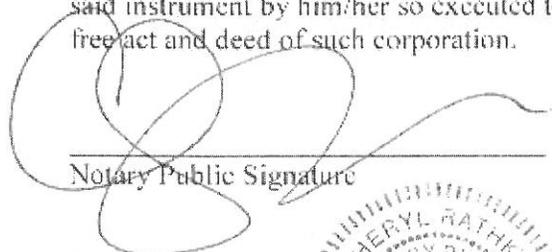
Respondent:


Signature
Date: 2/13/18

Luke Umstetter, General Counsel

STATE OF SOUTH CAROLINA
COUNTY OF GREENVILLE

In Greenville, in said County, on the 13th day of February, 2018, before me personally appeared *Luke Umstetter*, to me known and known by me to be the *General Counsel* of and the person executing this instrument on behalf of New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing, the party executing this instrument, and he/she acknowledged said instrument by him/her so executed to be his/her free act and deed in such capacity and the free act and deed of such corporation.



Notary Public Signature

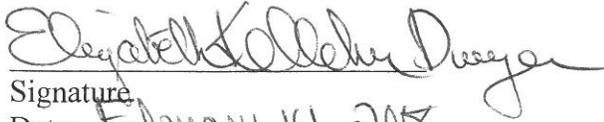
Notary Number



Cheryl Rathke
Print Notary Name

06/11/2023
Commission Expiration Date

The Division:



Signature

Date: February 14, 2018

Elizabeth Kelleher Dwyer
Superintendent of Banking and Insurance