

**STATE OF NEW HAMPSHIRE
BANKING DEPARTMENT**

In The Matter of: Novad Management Consulting, LLC

Case No. 17-151

CONSENT ORDER

The State of New Hampshire Banking Department (“Department”), acting in agreement with the respondent, Novad Management Consulting, LLC (“Novad”), finds and orders as follows:

Jurisdiction¹

Pursuant to RSA 397-B:4, I(a)², the New Hampshire Banking Department (“Department”) is charged with regulating persons that conduct mortgage servicer activity in New Hampshire. Pursuant to RSA 397-B:9-a, I³, the Department is authorized to examine the business affairs of any licensee or non-licensee mortgage servicer to determine compliance with RSA 397-B⁴.

Background

Novad is a Maryland limited liability company with a principal office location in Landover, Maryland and a branch office in Oklahoma City, Oklahoma, and is currently an unlicensed New Hampshire mortgage servicer. Pursuant to its authority under RSA 397-B:9, I and 397-B:9-a, I⁵, the Department, through the Consumer Credit Division, conducted an investigation of Novad.

¹ Since the activities that are the subject of this Consent Order occurred both prior to and after August 20, 2016, the first citations are to RSA 397-B (the law in effect until August 20, 2016). Footnoted citations thereafter are to the new citations effective as of August 20, 2016 if different from the previous citation.

² RSA 397-A:2, I is the new citation effective August 20, 2016.

³ RSA 397-A:12, I is the new citation effective August 20, 2016.

⁴ Prior to August 20, 2016, the Department registered mortgage servicers pursuant to RSA 397-B. As of August 20, 2016, the Department licenses mortgage servicers pursuant to RSA 397-A.

⁵ RSA 397-A:12, I and VII are the new citations effective August 20, 2016.

Through its investigation, the Department determined that Novad conducted unregistered mortgage servicer activity when it became the master servicer to New Hampshire residential reverse mortgage loans that were assigned to the U.S. Department of Housing and Urban Development. Novad services such New Hampshire residential reverse mortgage loans in violation of RSA 397-B:4, I(a)⁶.

Novad has filed for a New Hampshire Mortgage Servicer license to service the New Hampshire mortgage loans in its residential mortgage loan portfolio. Novad fully cooperated with the Department regarding its unlicensed activity.

Acknowledgments

WHEREAS, Novad makes the following acknowledgements:

1. Without admitting liability and as an economical and efficient method of resolving the foregoing matter, Novad voluntarily enters into and signs this Consent Order without reliance upon any discussions between the Department and Novad, without the promise of a benefit of any kind (other than the concessions contained in this Consent Order), and without threats, force, intimidation or coercion of any kind.
2. Novad understands the nature of the allegations set forth herein and that they constitute grounds for potential sanctions, as provided by law.
3. Novad acknowledges, understands, and agrees that it has the right to notice and an adjudicatory hearing to contest the matters set forth herein, including any appeal, and hereby waives those rights. Novad further acknowledges it waives the filing of any civil actions related to this matter.
4. Novad understands that its action in entering this Consent Order is a final act and not subject to reconsideration or judicial review or appeal.

⁶ RSA 397-A:3, I is the new citation effective August 20, 2016.

5. Novad represents and warrants that it has all the necessary rights, powers and abilities to carry out the terms of this Consent Order.
6. Novad acknowledges that the Department is relying upon Novad's representations and warranties stated herein in making its determinations in this matter.
7. Novad acknowledges that this Consent Order may be revoked and the Department may pursue any and all remedies available under the law against Novad if the Department later learns that Novad knowingly or willfully withheld information from the Department.
8. This Consent Order is binding on all heirs, assigns and successors in interest.

Order

Pursuant to RSA 397-B:3, VI⁷, the Bank Commissioner ("Commissioner") finds this action necessary or appropriate to the public interest or the protection of consumers and consistent with the purposes fairly intended by the policy and provisions of RSA Chapter 397-B. Accordingly, the Commissioner orders as follows:

1. Novad shall remit an administrative fine in the amount of \$12,500. The payment shall be made contemporaneously with Novad's execution of this Consent Order, by bank check made payable to the "State of New Hampshire."
2. Failure by Novad to comply with any portion of this Consent Order shall constitute a separate and sufficient basis for administrative action, up to and including license revocation and monetary penalties.
3. This Order fully resolves this matter and the Commissioner will not take further action against Novad for the allegations presented herein. However, the Department

⁷ RSA 397-A:22,VI is the new citation effective August 20, 2016.

may take enforcement action against Novad for any violation of this Consent Order or the matters underlying its entry, if the Commissioner determines that compliance with the terms of this Order are not being observed or if any representation made by Novad and reflected herein is subsequently discovered to be untrue.

4. This Consent Order shall become final when issued.

Recommended by:

_____/s/_____
Maryam Torben Desfosses
Hearings Examiner
New Hampshire Banking Department

July 13, 2018
Date

_____/s/_____
E. Davon Kelly
President and Chief Executive Officer
Novad Management Consulting, LLC

07/20/18
Date

SO ORDERED.

_____/s/_____
Gerald H. Little
Bank Commissioner
New Hampshire Banking Department

08/14/18
Date