

**STATE OF NEW HAMPSHIRE
BANKING DEPARTMENT**

In The Matter of: First Guaranty Mortgage Corporation
d/b/a FGMC, d/b/a fgmc.com, and d/b/a goodmortgage.com

Case No. 18-102

CONSENT ORDER

The State of New Hampshire Banking Department (“Department”), acting in agreement with the respondent, First Guaranty Mortgage Corporation d/b/a FGMC, d/b/a fgmc.com, and d/b/a goodmortgage.com (“FGMC”), 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 registrant or non-registrant mortgage servicer to determine compliance with RSA 397-B⁴.

Background

FGMC is a Virginia corporation with a principal office location in Tysons Corner, Virginia, and is currently an unlicensed New Hampshire mortgage servicer. Pursuant to its authority under RSA 397-B:9, I⁵, the Department, through the Consumer Credit Division, conducted an investigation of FGMC after it received mortgage call reports from FGMC that

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. See also RSA 397-A:3, I.

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.

demonstrated New Hampshire mortgage servicer activity without a license or registration, in violation of RSA 397-B:2, I⁶.

Through its investigation, the Department determined that from September 7, 2012 to the present, FGMC's unregistered/unlicensed activity consisted of holding the mortgage servicing rights for New Hampshire residential mortgage loans purchased from third parties. FGMC contracted with third-party sub-servicers to actually service the loans.

In June of 2018, FGMC filed for a New Hampshire Mortgage Banker license to service the New Hampshire mortgage loans in its residential mortgage loan portfolio. FGMC fully cooperated with the Department regarding its pre-licensure activity.

Acknowledgments

WHEREAS, FGMC makes the following acknowledgements:

1. FGMC voluntarily enters into and signs this Consent Order without reliance upon any discussions between the Department and FGMC, 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. FGMC understands the nature of the allegations set forth herein and that they constitute grounds for potential sanctions, as provided by law.
3. FGMC 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. FGMC further acknowledges it waives the filing of any civil actions related to this matter.
4. FGMC understands that its action in entering this Consent Order is a final act and not

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

subject to reconsideration or judicial review or appeal.

5. FGMC represents and warrants that it has all the necessary rights, powers and abilities to carry out the terms of this Consent Order.
6. FGMC acknowledges that the Department is relying upon FGMC's representations and warranties stated herein in making its determinations in this matter.
7. FGMC acknowledges that this Consent Order may be revoked and the Department may pursue any and all remedies available under the law against FGMC if the Department later learns that FGMC 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-B⁸. Accordingly, the Commissioner orders as follows:

1. FGMC shall remit an administrative fine in the amount of \$280,000. The payment shall be made contemporaneously with FGMC's execution of this Consent Order, by bank check made payable to the "State of New Hampshire."
2. Failure by FGMC 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

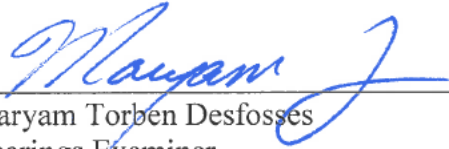
⁷ RSA 397-A:22, VI is the new citations effective August 20, 2016.

⁸ Current Chapter is RSA 397-A.

action against FGMC for the allegations presented herein. However, the Department may take enforcement action against FGMC 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 FGMC and reflected herein is subsequently discovered to be untrue.


4. This Consent Order shall become final when executed by the Commissioner.

Recommended by:



Maryam Torben Desfosses
Hearings Examiner
New Hampshire Banking Department

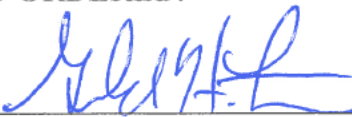
Sept. 4, 2018
Date



Aaron Wayne Samples
President
First Guaranty Mortgage Corporation
d/b/a FGMC, d/b/a fgmc.com, and
d/b/a goodmortgage.com

09-18-2018
Date

SO ORDERED.



Gerald H. Little
Bank Commissioner
New Hampshire Banking Department

09/20/2018
Date