COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF BANKING AND SECUR**ENES**T -5 AM 9:02

	:	BANKING AND SECURITIES
COMMONWEALTH OF PENNSYLVANIA	:	
DEPARTMENT OF BANKING AND	:	
SECURITIES, COMPLIANCE OFFICE	:	
	:	
v.	:	Docket No.: 17 <u>0069</u> (BNK-ORD)
	:	
NOVA FINANCIAL INC.	:	
	:	

NOTICE OF RIGHT TO APPEAL AND HEARING

You have the right to appeal the attached Order within 10 days of the date of service of the Order as provided in 1 Pa. Code § 35.20. To appeal the Order, you must file a petition, in writing, with the Docket Clerk as set forth below. If you appeal the Order, you also have a right to a hearing. If the Docket Clerk does not receive your petition within 10 days of service of the Order, you will waive your right to a hearing and the Order will be deemed final.

The petition must be in writing, state clearly and concisely your grounds of interest in the subject matter, the facts you rely upon, the law you rely upon, and the relief you seek as required by 1 Pa. Code §35.17.

The petition and all other documents relating to this matter must be filed with the Docket Clerk:

Linnea Freeberg, Docket Clerk Department of Banking and Securities 17 N. Second Street, Suite 1300 Harrisburg, PA 17101

Further, you must serve a copy of the petition upon the person who signed the attached Order by providing a copy to their counsel set forth below:

> Carolyn Mendelson Assistant Counsel Department of Banking and Securities 17 N. Second Street, Suite 1300 Harrisburg, PA 17101

Once you file your petition, you will be notified of pertinent information such as the name of the presiding officer designated by the Pennsylvania Department of Banking and Securities to hear this matter and, if a hearing is scheduled, the date, time and location of the hearing. You have the right to be represented by an attorney. The hearing and all procedural matters will be governed by the Pennsylvania Administrative Agency Law, 2 Pa. C.S. §§ 501-508, 701-704, and the General Rules of Administrative Practice and Procedure, 1 Pa. Code §§ 31.1.-35.251

FILED

COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIRS 7 OCT -5 AM 9:02

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ORDER

1. The Department of Banking and Securities ("Department") is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the Mortgage Licensing Act, 7 Pa. C.S. § 6101 *et seq.* ("MLA").

2. The Compliance Office is primarily responsible for administering and enforcing the MLA for the Department.

3. Nova Financial Inc. ("Nova") is currently licensed as a Mortgage Broker, license no. 44142, Nationwide Mortgage Licensing System & Registry ("NMLS") unique identifier 1082047.

4. Nova is registered as a Pennsylvania Business Corporation.

5. Nova maintains its principal place of business at 2222 Cottman Avenue, Floor 2 Philadelphia, PA 19149.

BACKGROUND

6. The MLA at 7 Pa. C.S. § 6135 imposes certain requirements on mortgage licensees like Nova.

7. The MLA states in pertinent part as follows: "A mortgage broker, mortgage lender or mortgage loan correspondent, or a mortgage originator that is required to obtain and maintain its own bond coverage under section 6131(f)(4) (relating to application for license), on a date determined by the department, shall file periodically, as determined by the department, a report with the department or the Nationwide Mortgage Licensing System and Registry, as determined by the department, setting forth such information as the department shall require concerning the first or secondary mortgage loan business conducted by the licensee. Licensees who fail to file the required report at the date required by the department may be subject to a penalty of \$100 for each day after the due date until the report is filed." 7 Pa. C.S § 6135(a)(3)

8. The Department determined that each mortgage licensee was required to complete a Mortgage Call Report ("MCR") for the second quarter of 2017 through the National Mortgage Licensing System and Registry ("NMLS") by August 14, 2017.

Nova did not file its MCR for the second quarter of 2017 by the deadline of August
14, 2017.

10 By email dated August 16, 2017, the Department notified Nova that its MCR was past due and that it may incur a penalty.

11. By letter dated August 25, 2017, the Department notified Nova that the MCR had still not been received and that it may incur a penalty.

12 On August 29, 2017, Andrew Bohr ("Bohr"), Non-Depository Financial Institutions Examiner of the Compliance Office, telephoned Redacted to inform Ping Shih ("Shih"), the President of Nova, that the MCR for Nova was still outstanding and that if the MCR was not received by September 14, 2017, Nova would be issued a fine by the Department.

13. On August 29, 2017, since Bohr was not able to reach Shih by telephone and speak to him personally, Bohr left a voicemail message for Shih to complete the report immediately.

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14. On September 5, 2017, Bohr spoke with Shih. Shih told Bohr that he would complete the report by September 14, 2017. As of the date of this Order's filing, the Department is not in receipt of the MCR from Nova.

VIOLATION

15 By not filing the MCR when it was due, Nova violated the MLA at 7 Pa. C.S. § 6135(a)(3).

AUTHORITY

16. The Department has the authority to issue orders to enforce the MLA. 7 Pa. C.S. §6138(a)(4).

17 Section 6135(a)(3) of the MLA authorizes the Department to impose a fine of up to \$100 for each day after the due date until the MCR is filed.

AND NOW THEREFORE, because Nova has failed to file the MCR for the second quarter of 2017, the Compliance Office, pursuant to its authority referenced above, hereby imposes the following Order:

18. Pursuant to the Department's authority in 7 Pa. C.S. § 6135(a)(3) of the MLA, Nova is hereby fined \$500 (five hundred dollars), which is payable within 30 days of the date of this order

19. An Agency Fee Invoice has been created in NMLS for this penalty Payment must be remitted through NMLS by either ACH or credit card.

20. Nova is ordered to complete the 2017 second quarter MCR immediately.

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21. Failure to pay the fine within 30 days and file the MCR may result in additional enforcement action, including, but not limited to, the suspension, revocation or refusal to renew Nova's license.

22. Nothing in this Order shall prevent the Compliance Office from taking any further administrative action as deemed necessary.

IT IS SO ORDERED.



Redacted

James Keiser, Chief Compliance Office Department of Banking and Securities

ober 5,2017 (Date)

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SECURITIES, COMPLIANCE OFFICE	:	
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V.	:	Docket No.: 17 <u>0064</u> (BNK-ORD)
	:	
NOVA FINANCIAL INC.	:	
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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Order upon the parties below, who constitute the only parties of record in this proceeding, in accordance with the requirements of 1 Pa. Code §§ 33.35, 33.36 and 33.37:

BY CERTIFIED AND FIRST CLASS MAIL

Nova Financial Inc. 2222 Cottman Avenue Floor 2 Philadelphia, PA 19149

Dated this 5^{th} day of October, 2017.

Redacted

Zachary Monnier, Legal Assistant Office of Chief Counsel FOR: Commonwealth of Pennsylvania Department of Banking and Securities Market Square Plaza 17 North Second Street, Suite 1300 Harrisburg, PA 17101 (717) 787-1471