

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 SECURITIES

2017 OCT -5 AM 9:02

PA DEPARTMENT OF
BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA :
DEPARTMENT OF BANKING AND :
SECURITIES, COMPLIANCE OFFICE :

v. :

Docket No.: 17 0064 (BNK-ORD)

NOVA FINANCIAL INC. :

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.

9. 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.

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.

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

October 5, 2017
(Date)

FILED

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

2017 OCT -5 AM 9:02

PA DEPARTMENT OF
BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA :
DEPARTMENT OF BANKING AND :
SECURITIES, COMPLIANCE OFFICE :

v. :

Docket No.: 17 0064 (BNK-ORD)

NOVA FINANCIAL INC. :

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 5th 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