

FILED

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

2018 MAR 27 AM 9:43

PA DEPARTMENT OF
BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND
SECURITIES, COMPLIANCE OFFICE

v.

NOVA FINANCIAL INC

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Docket No. : 18 0008 (BNK-ORD)

NOTICE OF RIGHT TO APPEAL AND HEARING

You have the right to answer the attached Order within **10 days** of the mailing date of the Order as provided in 1 Pa. Code § 35.35. To appeal the Order, you must file an answer, in writing, with the Docket Clerk as set forth below. **If the Docket Clerk does not receive your answer within 10 days, you will waive your right to a hearing and the Order will be deemed final.**

The answer must be in writing, admitting or denying each allegation in the Order and stating clearly and concisely the facts and matters of law you rely upon, as required by 1 Pa. Code §35.35.

The answer 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 St., Ste. 1300
Harrisburg, PA 17101

Further, you must serve a copy of the answer on the person who signed the attached Order by providing a copy to his counsel set forth below:

Gerard M. Mackarevich
Assistant Counsel
Department of Banking and Securities
17 N. Second St., Ste. 1300
Harrisburg, PA 17101

Once you file your answer, 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.

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.

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v.

NOVA FINANCIAL INC.

: Docket No. : 180008 (BNK-ORD)

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 a corporation, the president of which is Ping Shih.

5. Nova maintains its principal place of business at 2222 Cottman Ave., Fl. 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 fourth quarter of 2017 through the National Mortgage Licensing System and Registry (“NMLS”) by February 14, 2018.

9. Nova did not complete its MCR for the fourth quarter of 2017 by the deadline of February 14, 2018.

10. By email dated February 16, 2018, the Department notified Nova that its MCR was past due and that it may incur a penalty.

11. By letter dated February 26, 2018, the Department notified Nova that the MCR has still not been received and that it may incur a penalty.

12. On March 6, 2018, the Compliance Office telephoned Nova to inform Mr. Shih that the MCR was still outstanding and that if it was not received by March 14, 2018, Nova would be issued a fine. A message was left for Mr. Shih to return the call.

13. On March 14, 2018, the Compliance Office again telephoned Nova to notify Mr. Shih that the MCR would need to be completed by the end of the day. A voicemail was left stating that a fine would be issued on March 15, 2018, if the MCR was not completed.

14. Nova did not complete the MCR by the end of the day on March 14, 2018.

15. Nova has failed to complete the MCR by the due date four times over the past two MCR reporting years.

VIOLATION

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

AUTHORITY

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

18. 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.

19. Because Nova is at least 30 days late in filing the MCR, a fine in the amount of \$3,000 is owing to the Department.

AND NOW THEREFORE, because Nova has failed to file the MCR for the fourth quarter of 2017, and has repeatedly failed to complete the MCR by the due date, the Compliance Office, pursuant to its authority referenced above, hereby imposes the following Order:

20. Pursuant to the Department's authority in 7 Pa. C.S. § 6135(a)(3) of the MLA, Nova is hereby fined \$3,000, which is payable within 30 days of the date of this order.

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

22. Nova is ordered to complete the 2017 fourth quarter MCR immediately.

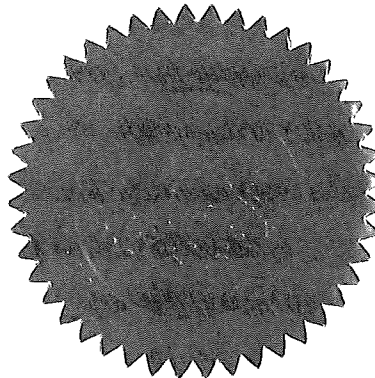
23. Failure to pay the fine within 30 days and file the MCR may result in additional enforcement action, including, but not limited to, the suspension, revocation or refusal to renew Nova's license.

24. 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



March 26, 2018
(Date)

FILED

2018 MAR 27 AM 9:44

COMMONWEALTH OF PENNSYLVANIA PA DEPARTMENT OF BANKING AND SECURITIES
DEPARTMENT OF BANKING AND SECURITIES

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

v. :

Docket No.: 180008(BNK-C&D)

NOVA FINANCIAL INC. :
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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing *Cease and Desist 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 Ave, Fl.2
Philadelphia, PA 19149

Dated this 27th day of March 2018.

Redacted

Gerard M. Mackarevich
Assistant Counsel
Attorney ID #: 47529
FOR: Commonwealth of Pennsylvania
Department of Banking and Securities
17 N. Second St., Ste. 1300
Harrisburg, PA 17101