

**STATE OF NEW HAMPSHIRE
BANKING DEPARTMENT**

In The Matter of: LoanHero, Inc.

Case No. 17-123

CONSENT ORDER

The State of New Hampshire Banking Department (“Department”), acting in agreement with the respondent, LoanHero, Inc. (“LoanHero”), finds and orders as follows:

Jurisdiction

Pursuant to RSA 399-A:2, I, the New Hampshire Banking Department (“Department”) is charged with regulating persons that “engage in the business of a small loan lender” in New Hampshire. Pursuant to RSA 399-A:1, XII, a “lender” includes “a person who for compensation or gain, or in the expectation of compensation or gain, either directly, or indirectly, (a) [a]cts as an intermediary, finder, or agent of a lender or borrower for the purpose of negotiating, arranging, finding, or procuring loans, or commitments for loans” or “(c) [o]ffers to serve as an agent for any person who has money to lend for a loan.” Pursuant to RSA 399-A:13, I, the Department is authorized to examine the business affairs of any licensee or non-licensee small loan lender to determine compliance with RSA 399-A.

Background

LoanHero is a Delaware corporation with a principal office location in San Diego, California, and an unlicensed small loan lender in New Hampshire. Pursuant to its authority under 399-A:13, I and VII, the Department, through the Consumer Credit Division, conducted an investigation of LoanHero and requested information from LoanHero, which LoanHero provided.

Through its investigation, the Department determined that LoanHero implemented its platform to serve as intermediary or finder of a loan between a federally insured bank and qualified borrowers in order to enable such borrowers to finance the purchase of goods and services from participating retail merchants. From at least April 25, 2016, LoanHero conducted such unlicensed small loan lender activity (as the intermediary or finder for the borrower) with thirty-seven (37) New Hampshire consumers in violation of RSA 399-A:2, I.

LoanHero is in the process of applying for a New Hampshire Small Loan Lender license. LoanHero fully cooperated with the Department regarding its above-mentioned activity and LoanHero's business model.

LoanHero neither admits nor denies any of the findings herein or any violations of New Hampshire law. Nevertheless, LoanHero agrees that prompt and efficient resolution of this matter is in the best interest of the parties and LoanHero intends to maintain a positive working relationship with the Department by consenting to enter into this Consent Order.

Acknowledgments

WHEREAS, LoanHero makes the following acknowledgements:

1. LoanHero voluntarily enters into and signs this Consent Order without reliance upon any discussions between the Department and LoanHero, 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. LoanHero understands the nature of the allegations set forth herein and that they constitute grounds for potential sanctions, as provided by law.
3. LoanHero 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. LoanHero further acknowledges it waives the filing of any civil actions related to this matter.

4. LoanHero understands that its action in entering this Consent Order is a final act and not subject to reconsideration or judicial review or appeal.
5. LoanHero represents and warrants that it has all the necessary rights, powers and abilities to carry out the terms of this Consent Order.
6. LoanHero acknowledges that the Department is relying upon LoanHero's representations and warranties stated herein in making its determinations in this matter.
7. LoanHero acknowledges that this Consent Order may be revoked and the Department may pursue any and all remedies available under the law against LoanHero if the Department later learns that LoanHero 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 399-A:20, VI, 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 399-A. Accordingly, the Commissioner orders as follows:

1. LoanHero shall pay and remit an administrative fine in the amount of \$12,000. The payment shall be made contemporaneously with LoanHero's execution of this Consent Order, by bank check made payable to the "State of New Hampshire."
2. Failure by LoanHero to comply with any portion of this Consent Order shall

constitute a separate and sufficient basis for administrative action, up to and including license suspension, revocation and monetary penalties.

3. This Order fully resolves this matter and the Commissioner will not take further action against LoanHero for the allegations presented herein. However, the Department may take enforcement action against LoanHero 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 LoanHero and reflected herein is subsequently discovered to be untrue.
4. This Consent Order shall become final when executed by the Commissioner.

Recommended by:

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

Aug. 18, 2017
Date

/s/
Stephen Connolly
Chief Operating Officer
LoanHero, Inc.

08/29/2017
Date

SO ORDERED.

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

09/06/2017
Date