1 State of New Hampshire Banking Department In re the Matter of: 2) Case No.: 08-212 State of New Hampshire Banking) Order to Show Cause 3 4 Department, with Immediate Suspension 5 Petitioner, 6 and 7 Saxon Mortgage Services, Inc., 8 Respondents 9 10 NOTICE OF ORDER This Order commences an adjudicative proceeding under the provisions of 11 RSA 397-B:6, RSA 541-A, BAN 200 and JUS 800 as applicable. 12 LEGAL AUTHORITY AND JURISDICTION 13 Pursuant to RSA 397-B:6, the Banking Department of the State of New 14 Hampshire (hereinafter the "Department") has the authority to issue an order 15 to show cause why license revocation penalties for violations of New 16 Hampshire Banking laws should not be imposed. 17 Pursuant to RSA 397-B:3 and RSA 541-A:30 the Commissioner may by order 18 summarily postpone or suspend any license or application pending final determination of any order to show cause, or other order, or of any other 19 proceeding under this section, provided the commissioner finds that the public 20 interest would be irreparably harmed by delay in issuing such order 21 The Commissioner has the authority to suspend, revoke or deny any 22 license and to impose administrative penalties of up to \$2,500.00 for each 23 violation of New Hampshire banking law and rules.

NOTICE OF RIGHT TO REQUEST A HEARING

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The above named respondent(s) have the right to request a hearing on this Order to Show Cause, as well as the right to be represented by counsel. In accordance with RSA 541-A a hearing shall be held not more than ten days from the signing of this Order.

After said hearing and within 20 days of the date of the hearing the commissioner shall issue a further order vacating the Order to Show Cause or making it permanent as the facts require and making such findings as are necessary on the Show Cause order. All hearings shall comply with 541-A. If the person to whom an order is issued fails to appear at the hearing after being duly notified, such person shall be deemed in default, and the proceeding may be determined against him or her upon consideration of the Order to Show Cause, the allegations of which may be deemed to be true.

STATEMENT OF ALLEGATIONS, APPLICABLE LAWS AND REQUEST FOR RELIEF

The <u>Staff Petition</u> dated June 4, 2008 (a copy of which is attached hereto) is incorporated by reference hereto.

ORDER

WHEREAS, finding it necessary and appropriate and in the public interest, and consistent with the intent and purposes of the New Hampshire banking laws, and

WHEREAS, finding that the allegations contained in the Staff Petition, if proved true and correct, form the legal basis of the relief requested,

It is hereby ORDERED, that the Respondent shall show cause why:

- 1. Administrative penalties of \$7,500.00 should not be imposed against the Respondent; and
- 2. Respondent's license should not be revoked; and FINDING a substantial likelihood that delay will cause harm to the public health, safety or welfare, requiring emergency action it is hereby further ORDERED:

1	3. Respondent's license is immediately suspended; and	
2	4. A hearing on the immediate suspension will be scheduled	to
3	occur in the next ten days pursuant to RSA 541-A:30, II	I.
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5	SIGNED,	
6	Dated:6/4/08 /S/ PETER C. HILDRETH	
7	BANK COMMISSIONER	
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State of New Hampshire Banking Department

STATEMENT OF ALLEGATIONS

The Staff of the Banking Department, State of New Hampshire (hereinafter referred to as the "Department") alleges the following facts:

- Respondent is registered as a Mortgage Servicer and at all times relevant to this action has held a Department registration since at least 1998.
- 2. On November 29, 2007 the Commissioner ordered all mortgage servicers to designate a person in their organization with sufficient authority to facilitate foreclosure avoidance procedures within seven days of the order. The Order further obligated the servicers to update the information within two days of a change in the information.
- 3. Respondent designated its then President, David Dill, pursuant to the Order.
- 4. On April 21, 2008 bank examiner Micheal Poulios was informed that David Dill was no longer with the company.

- 5. On April 22, 2008 Regulatory Analyst Rebecca Stone sent a letter to Respondent reminding them of their obligation to update their filings with the Department. The letter further reminded Respondent of its obligation to re-designate a contact for loan workout matters.
- 6. The Respondent has not responded to any of the requests for response contained in that letter.
- 7. On May 7, 2008 the Department received a hotline call from a certain borrower facing foreclosure who complained of not being able to reach Respondent.
- 8. On the same day Bank Examiner Sarah Lobdell left several messages and tried faxing communications to different employees at Respondent about the matter.
- 9. As of this petition date Respondent has not responded in any way to Ms. Lobdell's communications.
- 10. In May, 2008 this petitioner sent a letter via certified mail to Respondent directing Respondent to update their designated contact for loan workouts and directing them to immediately contact Examiner Lobdell in reference to the aforementioned consumer.
- 11. Respondent received said letter on May 27, 2008.
- 12. As of this petition date Respondent has not responded in any way to that communication.
- 13. Upon information and belief Respondent intends to hold the scheduled foreclosure sale despite its alleged failure to communicate with the borrower and despite its failure to

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ISSUES OF LAW

The staff of the Department, alleges the following issues of law:

- 1. The Department realleges the above stated facts in paragraphs 1 through 7.
- jurisdiction over the 2. The Department has licensing regulation of persons engaged in mortgage banker activities pursuant to NH RSA 397-B:2.
- 3. RSA 397-B:4-b provides that every registrant must reply in writing or in some designated form upon any written inquiry from the commissioner requesting a reply. The Respondent violated this provision of the Chapter by failing to designate a workout contact and by failing to update their departmental filings.
- 4. RSA 397-B:9 allows the Department to conduct any investigations deems necessary to determine compliance. Respondent violated the Chapter by not answering department inquiries relative to a mortgage customer's account.
- 5. RSA 397-B:6 provides that any person who knowingly violates any rule or order of the Commissioner or knowingly or negligently violates any provision of Chapter 397-B, may upon hearing, and in addition to any other penalty provided for by law, be subject to suspension or revocation of any registration or license, or imposition of an administrative fine not to exceed \$2,500, or Each of the acts specified shall constitute a separate both. violation, and such administrative action or fine may be imposed in addition to any criminal penalties or civil liabilities

Action: 1. Find as fact the allegations contained in section I of this 2. Make conclusions of law relative to the allegations corsection II of the this petition; 3. Order the Respondents to Show Cause why its license show revoked; 4. Assess fines and administrative penalties in accordance wit B:6, for violations of Chapter 397-B, in the number and ame to the violations set forth in section II of this petition; 5. Take such other administrative and legal actions as necessary enforcement of the New Hampshire Banking Laws, the protect Hampshire citizens, and to provide other equitable relief. RIGHT TO AMEND The Department reserves the right to amend this Staff Petition and request that the Commissioner take additional administrative actions Nothing herein shall preclude the Department from bringing additional administrative actions.	1	imposed by New Hampshire Banking laws.
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