
*
IN THE MATTER OF: *
*
LOANHERO, INC. *
*
*
(“Respondent”) *
*

ORDER TO CEASE AND DESIST

AND

ORDER IMPOSING CIVIL PENALTY

I. PRELIMINARY STATEMENT

WHEREAS, the Banking Commissioner (“Commissioner”) is charged with the administration of Part III of Chapter 668, Sections 36a-555 to 36a-573, inclusive, of the Connecticut General Statutes, “Small Loan Lending and Related Activities,” and the regulations promulgated thereunder, Sections 36a-570-1 to 36a-570-17, inclusive, of the Regulations of Connecticut State Agencies (“Regulations”);

WHEREAS, the Commissioner, through the Consumer Credit Division of the Department of Banking (“Department”), conducted an investigation of the activities of Respondent, pursuant to the authority granted by Section 36a-17 of the Connecticut General Statutes, to determine if it had violated, was violating or was about to violate the provisions of the Connecticut General Statutes and Regulations within the jurisdiction of the Commissioner;

WHEREAS, on January 11, 2022, the Commissioner, acting pursuant to Section 36a-570(b) of the Connecticut General Statutes, subsection (a) of Section 36a-52 of the 2022 Supplement to the General Statutes, and subsections (a) and (c) of Section 36a-50 of the 2022 Supplement to the General Statutes, issued an Order to Make Restitution, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent

to Impose Civil Penalty and Notice of Right to Hearing (“Order and Notice”) against Respondent, among others, which Order and Notice is incorporated herein by reference;

WHEREAS, on January 12, 2022, the Order and Notice was caused to be mailed by certified mail, return receipt requested, to Respondent;

WHEREAS, the Order and Notice provided Respondent with the opportunity for a hearing, and stated that if a hearing was not requested within 14 days of its receipt, the Order to Make Restitution shall remain in effect and become permanent against Respondent and the Commissioner would issue an order that Respondent cease and desist from violating Section 36a-556 of the Connecticut General Statutes, and may order a civil penalty in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation be imposed;

WHEREAS, the Order and Notice issued against Respondent was deemed received by the person on the earlier of the date of actual receipt, or seven days after mailing or sending, pursuant to Section 36a-52(a), 36a-50(a)(1) and 36a-50(c) of the 2022 Supplement to the General Statutes;

WHEREAS, Respondent failed to request a hearing within the prescribed time period;

WHEREAS, the Commissioner alleged in the Order and Notice, with respect to the activity described therein, that Respondent’s making or offering, soliciting, brokering, directly or indirectly arranging, placing or finding a small loan for a prospective Connecticut borrower and receiving payments of principal and interest in connection with a small loan made to a Connecticut borrower without obtaining the required license constitutes at least one violation of Section 36a-556 of the Connecticut General Statutes, in effect at such time. Such violation forms the basis to issue an order to cease and desist against Respondent pursuant to Section 36a-570(b) of the Connecticut General Statutes and Section 36a-52(a) of the 2022 Supplement to the General Statutes, issue an order to make restitution against Respondent pursuant to Section 36a-570(b) of the Connecticut General Statutes and Section 36a-50(c) of the 2022 Supplement to the General Statutes, and impose a civil penalty against Respondent pursuant to Section 36a-570(b) of the Connecticut General Statutes and Section 36a-50(a) of the 2022 Supplement to the General Statutes;

WHEREAS, also in the Order and Notice, the Commissioner ordered, pursuant to Section 36a-556 of the Connecticut General Statutes in effect at such time and Section 36a-50(c) of the 2022 Supplement to the General Statutes that, not later than thirty (30) days from the date the Order to Make Restitution becomes permanent, Respondent shall repay \$9,203.45 plus interest to an identified Connecticut consumer and repay any amounts received by Respondent from any other Connecticut debtor on any other small loan, as defined in Section 36a-555(11) of the Connecticut General Statutes, plus interest, and provide evidence of such repayments to the Director of the Consumer Credit Division;

WHEREAS, no evidence of repayments by Respondent has been provided to the Director;

WHEREAS, Section 36a-52(a) of the 2022 Supplement to the General Statutes provides, in pertinent part, that “[i]f the person does not request a hearing within the time specified in the notice or fails to appear at the hearing, the commissioner shall issue an order to cease and desist against the person. No such order shall be issued except in accordance with the provisions of chapter 54”;

WHEREAS, Section 36a-50(a)(2) of the 2022 Supplement to the General Statutes provides, in pertinent part, that “[i]f such person does not request a hearing within the time specified in the notice or fails to appear at the hearing, the commissioner may, as the facts require, order that a civil penalty not exceeding one hundred thousand dollars per violation be imposed upon such person”;

WHEREAS, Section 36a-50(a)(3) of the Connecticut General Statutes provides that “[e]ach action undertaken by the commissioner under this subsection shall be in accordance with the provisions of chapter 54”;

AND WHEREAS, Section 36a-1-31(a) of the Regulations of Connecticut State Agencies provides, in pertinent part, that “[w]hen a party fails to request a hearing within the time specified in the notice, the allegations against the party may be deemed admitted. Without further proceedings or notice to the party, the commissioner shall issue a final decision in accordance with section 4-180 of the Connecticut General Statutes and section 36a-1-52 of the Regulations of Connecticut State Agencies”.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. The Commissioner finds that the matters asserted, as set forth in paragraphs 13, 21, 22 and 26, inclusive, of Section II of the Order and Notice, shall constitute findings of fact within the meaning of Section 4-180(c) of the Connecticut General Statutes, and that the conclusions, as set forth in paragraph 4 of Section III of the Order and Notice, shall constitute conclusions of law within the meaning of Section 4-180(c) of the Connecticut General Statutes and Section 36a-1-52 of the Regulations of Connecticut State Agencies.

2. The Commissioner finds that Respondent has engaged in acts or conduct which, pursuant to Section 36a-570(b) of the Connecticut General Statutes and Section 36a-52(a) of the 2022 Supplement to the General Statutes, forms the basis to issue an order to cease and desist against Respondent, and, pursuant to Section 36a-570(b) of the Connecticut General Statutes and Section 36a-50(a) of the 2022 Supplement to the General Statutes, forms the basis to impose a civil penalty upon Respondent.

3. The Commissioner finds that the Order and Notice was given in compliance with Section 36a-52(a) and subsections (a) and (c) of Section 36a-50 of the 2022 Supplement to the General Statutes and Section 4-177 of the Connecticut General Statutes.

III. ORDER

Having read the record, **I HEREBY ORDER**, pursuant to Section 36a-570(b) of the Connecticut General Statutes and Sections 36a-52(a) and 36a-50(a) of the 2022 Supplement to the General Statutes that:

1. LoanHero, Inc. **CEASE AND DESIST** from violating Section 36a-556 of the Connecticut General Statutes;
2. A **CIVIL PENALTY** of Four Hundred Thousand Dollars (\$100,000) be imposed upon LoanHero, Inc. to be remitted to the Department of Banking by electronic funds transfer, cashier's check, certified check or money order, made payable to "Treasurer, State of Connecticut", no later than thirty (30) days from the date this Order is mailed;
3. The Order to Make Restitution issued on January 11, 2022, remains in effect and became permanent against LoanHero, Inc. on February 3, 2022; and

4. This Order shall become effective when mailed.

Dated at Hartford, Connecticut,
this 15 day of September 2022.

_____/s/_____
Jorge L. Perez
Banking Commissioner

This Order was sent by certified mail,
return receipt requested, to
Respondent on September 16, 2022.

LoanHero, Inc.
750 B Street, Suite 1410
San Diego, CA 92101

Certified Mail No. 7020 2450 0000 7026 7417