

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
BEFORE THE DIRECTOR OF THE DEPARTMENT
OF CONSUMER AND BUSINESS SERVICES

In the Matter of:

Precious Home Mortgage LLC, NMLS No.
82495,

Respondent.

M-13-0611

Final Order to Cease and Desist,
Order Assessing Civil Penalty, and
Consent to Entry of Order

The Director of the Department of Consumer and Business Services for the State of Oregon (Director) conducted an investigation of Precious Home Mortgage LLC (Precious) and determined that Precious engaged in activities constituting a violation of 86A.100 et seq. and OAR 441-850-0005 through 441-885-0010 (hereinafter collectively cited as the “Oregon Mortgage Lender Law”), and Precious now wishes to resolve and settle this matter with the Director.

As evidenced by the authorized signature subscribed on this order, Precious consents to entry of this order upon the Director’s Findings of Fact and Conclusions of Law as stated hereinafter:

FINDINGS OF FACT

The Director FINDS that:

1. Precious is a limited liability company that was first organized on January 30, 2008 in Oregon.
2. Precious’s principal place of business was located at 11220 SE Stark Street, Suite 10 Portland, Oregon 97216.
3. In 2011, NMLS released its mortgage call report (MCR) functionality. The MCR is comprised of individual reports of activity by state, called Residential Mortgage Loan





1 Activity reports (RMLA) that are compiled and submitted by the company to NMLS on a
2 quarterly basis for each state in which the company does business or sponsors a mortgage loan
3 originator license.

4 4. The MCR functionality was developed to provide entities licensed as mortgage
5 lenders the ability to submit quarterly activity reports. Licensed mortgage lenders must submit
6 MCR and RMLA reports through the NMLS system within 45 days of the end of the quarter.

7 5. The NMLS online resource center provides the following MCR/RMLA
8 submission deadlines: (1) Quarter one (Q1) - January 1 through March 31 - due May 15; (2)
9 Quarter two (Q2) April 1 through June 30, due August 14; (3) Quarter three (Q3) July 1 through
10 September 30, due November 14; and (4) Quarter four (Q4) October 1 through December 31,
11 due February 14.

12 6. Since these reports were first required for the first quarter of 2011, the Division has
13 undertaken an extensive campaign to notify licensed mortgage companies of the new MCR
14 reporting requirement. In 2012 the Division began a more routine method of notifying
15 companies about this recurring requirement by sending them an e-mail.

16 7. In the third quarter of 2013, a rule change took effect and Oregon became an
17 automatic state for the mortgage call report in NMLS, thus making it less likely that a company
18 would unintentionally fail to file the report. The change resulted in the Division sending fewer
19 e-mail reminders to file the report as the system now automatically sets deficiencies and sends
20 reminders to companies to include Oregon in their reporting.

21 8. The company made no amendments to its license during the relevant time period and
22 maintained an e-mail address of phn2012@gmail.com and a mailing address of 11220 SE Stark
23 Ste 10, Portland, OR 97216.

24 9. On November 6, 2013, the Division reviewed the company's records in NMLS and
25 determined that the company had not filed its third quarter 2013 MCR and Oregon RMLA

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1 reports. The Division then determined that the company had a license during the third quarter
2 of 2013 and had at least one loan originator during the third quarter of 2013.

3 10. On November 15, 2013, the Division sent an e-mail to the company, notifying the
4 company that it was required to file the 2013 third quarter reports by December 16, 2013. The
5 company was advised that if they did not timely file the reports, they would be assessed a civil
6 penalty for failure to file the reports. On the same date, NMLS automatically placed a
7 deficiency on the company's license notifying the company of the need to file the 2013 third
8 quarter MCR and RMLA for Oregon.

9 11. On November 15, 2013, the Division sent a letter to the company at their address of
10 record, advising them that if they did not file the 2013 third quarter MCR and RMLA for
11 Oregon by December 16, 2013, the matter would be referred to enforcement.

12 12. On December 23, 2013, Precious requested that its license be surrendered.

13 13. On December 31, 2013, the Division accepted the surrender of the company's
14 license.

15 14. The 2013 fourth quarter MCR and RMLA for Oregon were due to be filed no later
16 than February 14, 2014.

17 15. During the relevant 2013 fourth quarter time period, October 1, through December
18 31, the company maintained an e-mail address of phn2012@gmail.com and a mailing address of
19 11220 SE Stark Ste 10, Portland, OR 97216.

20 16. Because the company surrendered its license in December 2013, no automatic
21 deficiencies were set nor were any automatic notices generated by NMLS to notify the company
22 that it was still required to file a fourth quarter MCR an RMLA. However, the company had
23 previously filed 2012 fourth quarter MCR and RMLA reports for Oregon and the relevant
24 statute and rules were still applicable to the company because the company was active in
25 Oregon during the fourth quarter of 2013.

26 17. Precious filed the 2013 third and fourth quarter MCRs on April 23, 2014.



CONCLUSIONS OF LAW

The Director concludes that:

18. Precious violated ORS 86A.239(2) and OAR 441-0865-0025 by failing to file the 2013 third quarter MCR and RMLA reports for Oregon, in NMLS by November 14, 2013.

ORDER

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

The Director, pursuant to ORS 86A.127 hereby orders Precious Home Mortgage LLC to Cease and Desist from violating Oregon's Mortgage Lender Law.

The Director, pursuant to ORS 86A.992(1) may assess civil penalties of up to \$5,000 per violation for each separate instance of violation. Pursuant to ORS 86A.992(3), the Director may assess up to a maximum of \$20,000 for a continuing violation.

The Director, pursuant to ORS 86A.992(2), hereby orders Precious to pay a civil penalty of \$1,000 for failure to file the 2013 third quarter MCR and RMLA for Oregon (one violation of ORS 86A.239(2) and OAR 441-865-0025). Payment shall be made no later than July 15, 2014.

Precious shall not be eligible to apply for an Oregon mortgage banker/broker license until July 31, 2017.

Dated this 16th day of July, 2014 at Salem, Oregon.

PATRICK M. ALLEN, Director
Department of Consumer and Business Services

/s/ David Tatman
David C. Tatman, Administrator
Division of Finance and Corporate Securities

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