STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of: NW Mortgage Hub, Inc. NMLS# 1908621 Respondent.	Case No. M-22-0116 ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL PENALTY, AND CONSENT TO ENTRY OF ORDER

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director") conducted an investigation of NW Mortgage Hub, Inc. ("NWMH") and determined that NWMH engaged in an activity that constitutes a violation of ORS 86A.100 et seq. and OAR 441-850-0005 through 441-885-0010 (collectively, "the Oregon Mortgage Lender Law"); and

WHEREAS NWMH wishes to resolve and settle this matter with the Director,

NOW THEREFORE, as evidenced by the authorized signature subscribed on this order, NWMH hereby 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. NWMH is an Oregon corporation with a principal place of business located at 1235 SE Morrison Street, Suite 200, Portland, OR 97214.

2. NWMH has been licensed as an Oregon mortgage banker/broker with the Division of Financial Regulation ("Division") since November 1, 2019 (NMLS# 1908621).

3. In 2011 the Nationwide Multistate Licensing System ("NMLS") released the Mortgage Call Report ("MCR") functionality. The MCR includes a licensed mortgage

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broker or banker's Residential Mortgage Loan Activity ("RMLA") that is compiled and submitted by licensees to NMLS on a quarterly basis and an annual report of financial condition ("Annual Report").

4. All mortgage bankers and brokers that employ any licensed loan originators must complete the MCR functionality.

5. NWMH employed at least one loan originator during the second quarter ("Q2") of 2022.

6. The quarterly reports are due 45 days following the end of each quarter such that the Q2 2022 MCR was due on August 14, 2022.

7. On March 21, 2022, after noting that NWMH failed to timely file the 2021 Q4 MCR, a Division financial examiner placed a deficiency on the company's licensing record as follows, "WARNING! BEGINNING WITH 2022 Q1 MORTGAGE CALL REPORTS, LICENSEES THAT FILE MORTGAGE CALL REPORTS AFTER THE SPECIFIED DUE DATE WILL BE REFERRED TO ENFORCEMENT WITH THE POTENTIAL OF A CIVIL PENALTY."

8. If a licensee does not timely file an MCR, the NMLS system automatically sets a deficiency on the company's license the day after the deadline reminding the company of the filing requirement.

9. When a deficiency is set in NMLS, the system sends an email to the licensee's email address of record. Similarly, at all times material, when the Division contacted NWMH by email, all messages were sent to NWMH's email address of record on file with NMLS, paul@pauldmartinez.com.

2022 Q2 MCR

10. Since NWMH had not filed the 2022 Q2 MCR with Oregon RMLA by August 14, 2022, NMLS placed a deficiency on August 15, 2022, notifying the company of the filing requirement.

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11. On September 20, 2022, the examiner sent an email to NWMH about the failure to file and extended the deadline to October 15, 2022.

12. On October 5, 2022, the examiner sent another email to NWMH reminding the company of the October 15 deadline.

13. On October 14, 2022, the examiner sent an email providing a final notice to NWMH to file by October 15, 2022, to avoid regulatory enforcement action.

14. October 21, 2022, the examiner called NWMH and left a message stating that there could be regulatory action for the late filing of the 2022 Q2 MCR.

15. NWMH filed the 2022 Q2 MCR with Oregon RMLA on December 27, 2022

CONCLUSIONS OF LAW

The Director CONCLUDES that:

16. By failing to file the 2022 Q2 MCR with Oregon RMLA by August 14, 2022 or October 15, 2022, NWMH violated ORS 86A.239(2) and OAR 441-865-0025.

ORDERS

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING:

17. The Director, pursuant to ORS 86A.127, hereby ORDERS NWMH to Cease and Desist from violating ORS 86A.239(2).

18. The Director, pursuant to ORS 86A.992, may assess civil penalties of up to $5,000 per violation of the Oregon Mortgage Lender Law. The Director hereby ORDERS NWMH to pay a $2,000 CIVIL PENALTY for the violation of ORS 86A.239(2).

19. The Director hereby suspends payment of the $1,000 CIVIL PENALTY for a period of three years from the effective date of this Order, provided NWMH does not violate the Oregon Mortgage Lender Law within the three-year time period.

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20. The suspended CIVIL PENALTY ($1,000) will be waived three years from the effective date of this Order, provided NWMH has complied with the foregoing Order terms. The Director reserves the right to immediately assess and collect the suspended civil penalty upon a determination that NWMH has violated any term of this Order.

21. This Order is binding upon NWMH successors and assigns.

SO ORDERED this 2nd day of March, 2023.

ANDREW R. STOLFI, Director
Department of Consumer and Business Services

/s/ Dorothy Bean
Dorothy Bean, Chief of Enforcement
Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, Paul D. Martinez , state that I am an officer of NWMH and am authorized to act on its behalf. I have read the foregoing Order and know and fully understand the contents hereof. I have been advised of NWMH right to a hearing and right to be represented by counsel in this matter. NWMH voluntarily consents to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order. NWMH understands that the Director reserves the right to take further actions against it to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Mortgage Lender Law or with the terms and conditions stated herein.

NWMH further assures the Director that neither NWMH nor its officers, directors, employees, or agents will effect insurance services in Oregon unless such activities are in full compliance with the Oregon Mortgage Lender Law. NWMH understands that this Consent Order is a public document.

Signature: */s/ Paul D. Martinez*

Position Held: President

State of Washington

County Clark

Signed or attested before me on this 2nd day of February, 2023 by Paul D. Martinez.

/s/ Iolani T. Maile
Notary Public

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