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

In the Matter of: Pacific Home Funding, LLC Respondent.	Case No. M-22-0117 **ORDER TO CEASE AND DESIST, FINAL 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 ("the Director"), having investigated the activities of Pacific Home Funding, LLC ("PHF") under Oregon Revised Statutes ("ORS") 86A.100 et seq. and Oregon Administrative Rules ("OAR") 441-850-0005 through 441-885-0010 (collectively, the "Oregon Mortgage Lender Law"), has determined that Respondent engaged in violations of the Oregon Mortgage Lender Law.

Respondent wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the signature(s) subscribed on this Order, Respondent hereby CONSENTS to entry of this Order.

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

FINDINGS OF FACT

The Director FINDS that:

1. PHF is an Oregon Limited Liability Corporation with a principal place of business located at 2780 Shadow View Dr., Eugene, OR 97408.

2. PHF has been licensed as an Oregon mortgage banker/broker with the Division of Financial Regulation ("Division") since November 12, 2015 **(NMLS# 1419836**).

3. In 2011, the Nationwide Multistate Licensing System ("NMLS") released the

Mortgage Call Report ("MCR") functionality. The MCR includes a licensed mortgage 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. PHF employed at least one loan originator during fiscal year 2021 and the first quarter ("Q1") and second quarter ("Q2") of 2022.

6. For standard filers like PHF, the Annual Report must be filed 90 days after the end of the company's fiscal year. The fiscal year 2021 report was due on March 31, 2022.

7. The quarterly reports are due 45 days following the end of each quarter such that the Q1 2022 MCR was due on May 15, 2022, and the Q2 2022 MCR was due on August 14, 2022.

8. On March 21, 2022, after noting that PHF 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."

9. 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.

10. 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 PHF by email, all messages were sent to PHF's email address of record on file with NMLS, robert.broten@yahoo.com.

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Fiscal Year 2021 Annual Report MCR

11. Since PHF had not filed the Annual Report for fiscal year 2021 by March 31, 2022, NMLS placed a deficiency on the company's licensing record on April 1, warning of the filing requirement.

12. On May 26, 2022, a Division financial examiner sent an email to PHF notifying the company that the deadline to file the Annual Report had passed and extended the deadline to June 26, 2022.

13. The examiner sent a reminder email to PHF on June 17, 2022, warning of the upcoming June 26, 2022, deadline.

2022 Q1 MCR

14. Since PHF had not filed the 2022 Q1 MCR with Oregon RMLA by May 15, 2022, NMLS placed a deficiency on May 16, 2022, notifying the company of the filing requirement.

15. On May 25, 2022, the examiner sent an email to PHF about the failure to file and extended the deadline to June 15, 2022.

16. On June 17, 2022, the examiner sent an email providing a final notice to PHF to file by June 26, 2022, to avoid regulatory enforcement action.

2022 Q2 MCR

17. Since PHF 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.

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

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

20. On October 14, 2022, the examiner sent an email providing a final notice to

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PHF to file by October 15, 2022, to avoid regulatory enforcement action.

21. October 21, 2022, the examiner called PHF and was told that the company was aware that there could be regulatory action for failing to file the 2022 Q2 MCR and further stated that the filing task would be delegated to another employee to complete.

22. On December 19, 2022, PHF filed its 2022 Q1 and Q2 MCR with Oregon RMLA. On December 30, 2022, PHF filed its Annual Report for fiscal year 2021.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

23. By failing to file its Annual Report for fiscal year 2021 by April 1, 2022, or June 26, 2022, PHF violated ORS 86A.239(2).

24. By failing to file the 2022 Q1 MCR with Oregon RMLA by May 15, 2022, or June 26, 2022, PHF violated ORS 86A.239(2) and OAR 441-865-0025.

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

ORDERS

Now therefore, the Director issued the following ORDERS:

Order to Cease and Desist

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

Order Assessing Civil Penalties

27. ORS 86A.992 authorizes the Director to assess civil penalties of up to $5,000 per violation of the Oregon Mortgage Lender Law. Pursuant to this provision, the Director hereby ORDERS PHF to pay $2,000 for each violation of ORS 86A.239(2), for a total civil penalty of $6,000.

28. The Director SUSPENDS $3,000.00 of the civil penalties, provided PHF complies with these conditions:

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A. PHF does not violate Oregon Mortgage Lender Law; and

B. PHF does not violate the terms of this Consent Order.

29. If PHF satisfies the above conditions for a period of three years following the date of this order, the Director shall waive the suspended portion of the civil penalties following that three-year period. If PHF fails to satisfy the above conditions during the three-year period following the date of this Order, however, the suspended portion of the civil penalties, amounting to $3,000.00, will become immediately due and owing.

30. PHF shall provide, together with the executed Entity Consent to Entry of Order, payment in the amount of $1,000.00 to be applied toward the $3,000.00 non-suspended civil penalty.

31. Payments toward the remaining non-suspended civil penalty shall be made in the following installments:

A. $1,000.00 within 30 days of the date of entry of this Order; and

B. $1,000.00 within 60 days of the date of entry of this Order;

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32. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to this provision, entry of this Order does not limit the Director's authority to enforce this Order or take action against PHF for violations of this Order or violations not included in this Order that are discovered after the date of this Order.

SO ORDERED this 24th day of January, 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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ENTITY CONSENT TO ENTRY OF ORDER

I, Robert Broten, state that I am an officer or manager of Respondent Pacific Home Funding, LLC 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 Respondent's right to a hearing and right to be represented by counsel in this matter. Respondent 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. Respondent 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 Mortgage Lender Law or with the terms and conditions stated herein.

Pacific Home Funding, LLC, along with its officers, directors, employees, or agents, will comply with the terms and conditions stated herein.

Pacific Home Funding, LLC understands that this Consent Order is a public document.

Signature: /s/ Robert Broten

Position Held: Owner/Broker

State of Oregon

County of Lane

Signed or attested before me on this 10th day of January, 2023

By Robert Broten.

/s/ Christopher Carter
Notary Public

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