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

In the Matter of: Smith Mortgage, LLC NMLS# 2027097 Respondent.	Case No. M-22-0121 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 Smith Mortgage, LLC ("Smith Mortgage") and determined that Smith Mortgage 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 Smith Mortgage wishes to resolve and settle this matter with the Director,

NOW THEREFORE, as evidenced by the authorized signature subscribed on this order, Smith Mortgage 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. Smith Mortgage is an Oregon limited liability company with a principal place of business located at 9280 SW Inez Street, Tigard, Oregon 97224.

2. Smith Mortgage has been licensed as an Oregon mortgage banker/broker with the Division of Financial Regulation ("Division") since December 29, 2020 (NMLS# 2027097).

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

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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. Smith Mortgage employed at least one loan originator during the first quarter ("Q1") 2022.

6. 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.

7. 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.

8. 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 Smith Mortgage by email, all messages were sent to Smith Mortgage's email address of record on file with NMLS, travis@gosmithmortgage.com.

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

10. On May 26, 2022, the examiner sent an email to Smith Mortgage about the failure to file and extended the deadline to June 15, 2022.

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

12. On September 1, 2022, the examiner called Smith Mortgage at the phone number of record and left a message warning that a regulatory action including a fine would

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be issued for the failure to file.

13. On October 7, 2022, Smith Mortgage filed the 2022 Q1 or Q2 MCR with Oregon RMLA.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

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

ORDERS

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING:

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

16. 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 Smith Mortgage to pay a $2,000 CIVIL PENALTY for the violation of ORS 86A.239(2).

17. The Director hereby suspends payment of the $2,000 CIVIL PENALTY for a period of three years from the effective date of this Order, provided Smith Mortgage does not violate the Oregon Mortgage Lender Law within the three-year time period.

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18. The suspended CIVIL PENALTY ($2,000) will be waived three years from the effective date of this Order, provided Smith Mortgage 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 Smith Mortgage has violated any term of this Order.

19. This Order is binding upon Smith Mortgage's successors and assigns.

SO ORDERED this 22nd day of December, 2022.

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, Travis Smith , state that I am an officer of Smith Mortgage 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 Smith Mortgage's right to a hearing and right to be represented by counsel in this matter. Smith Mortgage 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. Smith Mortgage 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.

Smith Mortgage further assures the Director that neither Smith Mortgage 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. Smith Mortgage understands that this Consent Order is a public document.

Signature: /s/ Travis Smith

Position Held: Owner/Broker

State of Oregon

County of Clackamas

Signed or attested before me on this 20th day of December , 2022

By /s/ *Tamara Nabousli*.

Tamara Naboulsi
Notary Public

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