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**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:

M-11-0102

**Citywide Financial Services Inc.
NMLS # 273805**

**Final Order to Cease and Desist, Order
Assessing Civil Penalties Entered by
Default**

Respondent.

10 On October 18, 2011, the Director of the Department of Consumer and Business
11 Services for the State of Oregon (hereafter the "Director"), acting by and pursuant to the
12 authority of the Oregon Mortgage Lending Law, ORS 86A.100 et seq., issued Administrative
13 Order No. M-11-0102 to Cease and Desist, Proposed Order Assessing Civil Penalties and
14 Notice of Right to a Hearing (hereinafter "the order") against Citywide Financial Services Inc.

15 Citywide Financial Services Inc. was duly served with a copy of the order by regular,
16 first-class mail and by certified mail, postage prepaid, and mailed to the following addresses:
17 1748 16th Street, West Linn, Oregon 97068 and registered agent SW&W Legal Services Inc.
18 1211 SW 5th Avenue, Suite 1700, Portland, Oregon 97204. A green card evidencing receipt of
19 the order was received from the 1748 16th Street, West Linn, Oregon 97068 address. Citywide
20 Financial Services Inc. has not made a written request for a contested case hearing in this
21 matter, and the time to do so has expired.

22 **FINDINGS OF FACT**

23 The Director FINDS that:

- 24 1. Citywide Financial Services Inc. (hereinafter "Citywide") is an Oregon
25 corporation first registered with the Oregon Secretary of State on December 28, 2000.
26 2. Citywide obtained an Oregon mortgage broker license from the Division





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2 of Finance and Corporate Securities (hereinafter the “Division”) on March 7, 2010, NMLS#
3 273805.

4 3. Citywide’s principal place of business is listed as 1748 16th Street, West Linn,
5 Oregon 97068.

6 4. In 2011, the Nationwide Mortgage Licensing System (hereinafter “NMLS”) released
7 the mortgage call report (hereinafter “MCR”) functionality. The MCR is comprised of
8 individual reports of activity by state, called Residential Mortgage Loan Activity reports
9 (hereinafter “RMLA”), that are compiled and submitted by the company to NMLS on a
10 quarterly basis for each state in which the company does business or sponsors a mortgage loan
11 originator license.

12 5. The intent was for companies to gather data for the first quarter of 2011 (hereinafter
13 “Q1”), and Q1 reports would be due 45 days after the end of Q1.

14 6. The NMLS online Resource Center provided the following time frames and due
15 dates for licensed companies’ MCRs. Q1 data dates from January 1 through March 31, and the
16 MCR is due on May 15, 2011. Quarter two (hereinafter “Q2”) data dates from April 1 through
17 June 30, and the MCR is due on August 14, 2011.

18 7. On January 12, 2011, the Division sent an e-mail to the e-mail address of record in
19 NMLS to each Oregon licensed mortgage broker notifying them of the MCR requirements.
20 In this case, the email was sent to mspizzuti@aol.com which has been the e-mail address of
21 record for Citywide at all times relevant to this order.

22 8. On February 17, 2011, the Division sent an e-mail to Citywide noting that the
23 Q1 MCR was due by May 15, 2011.

24 9. On March 9, 2011, the Division sent an e-mail to Citywide notifying the
25 company that the Winter 2011 newsletter was available on the Division’s website. The Winter
26 2011 newsletter included an article notifying companies of the MCR requirements.



1 10. In the Spring of 2011, the Division published the Spring newsletter which is mailed
2 to all licensed mortgage brokers and posted on the Division's website. The Spring newsletter
3 included information notifying the companies employing mortgage loan originators that they
4 were required to file a quarterly MCR with Q1 data for 2011 in NMLS.

5 11. Due to some technical difficulties NMLS experienced in processing the MCRs, on
6 May 2, 2011, the Division sent an email to Citywide notifying that the deadline to file the Q1
7 MCR was extended to August 14, 2011. This was also the deadline for the Q2 MCR.

8 12. On May 13, 2011, the Division again sent an e-mail to Citywide notifying them
9 that the new deadline to file the Q1 MCR was extended to August 14, 2011.

10 13. On June 7, 2011, the Division sent another email to Citywide notifying them of the
11 MCR requirement.

12 14. Since Citywide had not filed the Q1 MCR, on July 14, 2011, the Division placed a
13 deficiency in NMLS notifying the company of the Q1 MCR requirement that was due on
14 August 14, 2011. On the same day, the Division sent an e-mail to Citywide notifying them of
15 the Q1 MCR requirement due on August 14, 2011.

16 15. In the beginning of August 2011, NMLS released a new report to regulators showing
17 if a company had filed a MCR, including RMLA for that state, and it showed that Citywide had
18 not filed Q1 or Q2 MCRs with NMLS.

19 16. On August 4, 2011, the Division placed a deficiency in NMLS notifying Citywide of
20 the requirement to file the Q2 MCR by August 14, 2011.

21 17. On August 5, 2011, the Division sent Citywide an e-mail reminder that the Q2 MCR
22 was due on August 14, 2011.

23 18. On August 16, 2011, the Division sent Citywide another notice that it was late in
24 filing the Q2 MCR.

25 19. On August 17, 2011, the Division sent Citywide a letter to the address of record
26 in NMLS notifying them that they are required to file the MCR, including Q1 RMLA for



1 Oregon.

2 20. On August 19, 2011, the Division sent Citywide another letter notifying them that
3 they are required to file the MCR, including Q2 RMLA for Oregon. The letter reported that if
4 Citywide did not file by September 23, 2011, the matter would be referred for enforcement
5 action. The matter was referred for enforcement on October 10, 2011.

6 21. As of the date of this order, Citywide has not filed a Q1 or Q2 MCR despite being
7 notified numerous times to do so.

8 **CONCLUSIONS OF LAW**

9 The Director CONCLUDES that:

10 1. By failing to file the Q1 and Q2 MCR including RMLA for Oregon in NMLS by
11 August 14, 2011, Citywide violated ORS 86A.239(2).

12 **ORDERS**

13 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

14 The Director, pursuant to ORS 86A.127, hereby ORDERS Citywide to Cease and Desist
15 from violating Oregon's Mortgage Lender Law.

16 The Director, pursuant to ORS 86A.992, may assess civil penalties of up to \$5,000 per
17 violation of the Oregon Mortgage Lender Law. Further, the Director may assess civil penalties
18 of up to \$20,000 for a continuing violation of the Oregon Mortgage Lender law.

19 The Director, pursuant to ORS 86A.992(1) and ORS 86A.992(2), hereby ORDERS
20 Citywide to pay a civil penalty of \$10,000 for two violations of ORS 86A.239(2).

21 The entry of this Order in no way further limits remedies which may be available to the
22 Director under Oregon law.

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Dated this 14 day of December, 2011.

PATRICK ALLEN, Director
Department of Consumer and Business Services

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

NOTICE: You are entitled to judicial review of this Order. Judicial review may be obtained by filing a petition with the Court of Appeals in Salem, Oregon within 60 days from the service of this Order. Judicial review is pursuant to the provisions of ORS 183.482 to the Oregon Court of Appeals.

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Labor and Industries Building
350 Winter Street NE, Suite 410
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Telephone: (503) 378-4387

