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**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
MORTGAGE LENDING SECTION**

**BEFORE THE DIRECTOR OF THE DEPARTMENT
OF CONSUMER AND BUSINESS SERVICES**

In the Matter of:

**Baxter Mortgage Corporation
NMLS# 235530**

Respondent.

M-13-0179

**FINAL ORDER REVOKING
MORTGAGE BANKER/BROKER
LICENSE, ORDER TO CEASE AND
DESIST, AND ORDER ASSESSING CIVIL
PENALTIES ENTERED BY DEFAULT**

On October 2, 2013, the Director of the Department of Consumer and Business Services for the State of Oregon (hereafter the "Director"), acting pursuant to the Oregon statutes regulating mortgage lending, ORS 86A.100 et seq., and debt management service providers, ORS 697.602 to 697.842, issued Administrative Order No. M-13-0179 – Proposed Order Revoking Mortgage Banker/Broker License, Order to Cease and Desist, Proposed Order Assessing Civil Penalties, and Notice of Right to a Hearing (hereinafter "the Order") to Baxter Mortgage Corporation (hereinafter "Baxter").

On October 7, 2013, a true copy of the Order was personally served on John Baxter, the owner of Baxter, at 887 Meadow Lane SE, Jefferson, Oregon 97352.

Baxter has not made a written request for a contested case hearing in this matter, and the time to do so has expired.

FINDINGS OF FACT

The Director **FINDS** that:

1. Baxter is an Oregon corporation formed on May 13, 1994 with a principal place of business located at 2812 Scottish Highland LN SE, Salem, OR 97317.
2. Baxter first obtained an Oregon mortgage banker/broker license from the Oregon





1 Division of Finance and Corporate Securities (hereinafter the “Division”) on July 22, 1994,
2 NMLS# 235530.

3 3. In 2011, the Nationwide Mortgage Licensing System (hereinafter “NMLS”) released
4 the mortgage call report (hereinafter “MCR”) functionality. The MCR includes a licensed
5 mortgage broker’s Residential Mortgage Loan Activity (hereinafter “RMLA”) that is compiled
6 and submitted by the company to NMLS on a quarterly basis.

7 **I. MCR 2013 second quarter**

8 4. The quarterly reports are due 45 days following the end of each quarter such that the
9 2013 second quarter (hereinafter “Q2”) MCR was due August 14, 2013.

10 5. Baxter employed at least one licensed loan originator during the Q2 of 2013.

11 6. On August 1, 2013, since Baxter had not filed the 2013 Q2 MCR with Oregon RMLA,
12 the Division sent an e-mail to Baxter’s e-mail address of record in NMLS notifying of the Q2
13 requirement and the upcoming August 14, 2013 deadline.

14 7. All emails were sent to baxtermort@aol.com which has been the e-mail address of record
15 in NMLS for Baxter at all times relevant to this order.

16 8. Since Baxter had still not filed the 2013 Q2 MCR, on August 15, 2013, the Division sent
17 another e-mail notifying that the MCR was past due. The email set a new deadline of September
18 15, 2013 and warned that if Baxter failed to file by the deadline, the company would be subject
19 to civil penalties.

20 9. On August 15, 2013, the Division sent Baxter a letter to the address of record in NMLS,
21 its principal place of business, notifying that if the 2013 Q2 MCR was not filed by September 15,
22 2013, the matter would be referred for enforcement action.

23 10. Also on August 15, 2013, the Division placed a deficiency on the company’s license
24 notifying of the obligation to file the report by the September 15, 2013 deadline, or the matter
25 would be referred for enforcement action.

26 11. To date, Baxter has not filed the 2013 Q2 MCR.



1 **II. Prior Late Filings and Enforcement Actions**

2 12. The Oregon Mortgage Lender Law requires licensed mortgage bankers and mortgage
3 brokers to file an annual report with the Division concerning its residential mortgage lending
4 activity.

5 13. The deadline for filing the annual report for 2012 mortgage lending activity was
6 March 31, 2013.

7 14. On January 11, 2013, the Division made public a website
8 <https://www4.cbs.state.or.us/exs/dfcs/mlrpt/index.cfm> that licensees were to use to file their
9 annual reports. The Division posted a link to this website from the Division's mortgage lending
10 home page along with information on the annual report requirements.

11 15. The Division's mortgage lending home page also included a prominent notice about
12 the requirement.

13 16. On January 11, 2013, the Division sent an e-mail to the e-mail address of record for
14 Baxter, baxtermort@aol.com, reminding that an annual report was due, and that the deadline was
15 March 31.

16 17. On March 18, 2013, the Division sent an e-mail to Baxter's e-mail address of record
17 reminding that Baxter had not filed the annual report and that the deadline was March 31.

18 18. On April 3, 2013, the Division sent Baxter a letter to its address of record in
19 NMLS, 2812 Scottish Highland LN SE, Salem, OR 97317, notifying that it was required to file
20 the 2012 annual report for Oregon. The letter warned that if Baxter did not file by May 3, 2013,
21 the matter would be referred for enforcement action and a civil penalty assessed.

22 19. On April 3, 2013, the Division also sent an email to Baxter notifying of the missed
23 deadline and warning of the enforcement action and civil penalty for failure to file by May 3,
24 2013.

25 20. Since Baxter did not file its annual report by May 3, 2013, the matter was
26 referred for enforcement on May 7, 2013.



1 21. Baxter filed its annual report for 2012 activity on July 2, 2013.

2 22. Baxter made a late filing of the 2011 third quarter mortgage call report, a required
3 report, resulting in enforcement order # M-11-0126 in which Baxter agreed to pay \$1,000 civil
4 penalty on a monthly payment plan of \$83.33 per month beginning March 5, 2012 to the
5 Division for the violation.

6 23. Division records show that Baxter has failed to make any monthly payments to the
7 Division to comply with this order.

8 24. Baxter made a late filing of the annual report for 2011 mortgage lending activity in 2012
9 and a late filing of the written response to the Division's January 2012 examination report, both
10 are required reports, resulting in enforcement order # M-12-0046. This order includes Baxter's
11 agreement to pay \$1,498 in civil penalties and examination expenses on a monthly payment plan
12 of \$124.90 per month beginning August 20, 2012 to the Division for these violations.

13 25. Division records show that, while Baxter made one payment on this civil penalty, Baxter
14 has failed to comply with the payment plan on this order.

15 CONCLUSIONS OF LAW

16 The Director **CONCLUDES** that:

17 1. By failing to file the 2013 Q2 MCR including RMLA for Oregon in NMLS by August
18 15, 2013, Baxter violated ORS 86A.239(2).

19 2. The MCR requirement of ORS 86A.239(2) qualifies as a report licensees must file
20 pursuant to ORS 86A.112(2).

21 3. Failure to comply with the requirements of ORS 86A.112 is grounds to revoke Baxter's
22 mortgage banker/broker license under ORS 86A.115(12).

23 4. By failing to make a timely filing of the annual report for mortgage lending activity
24 in 2012 and in 2013 and by failing to make a timely filing of the 2013 Q1 and Q2 MCRs, Baxter
25 repeatedly violated ORS 86A.112(2), which is grounds to revoke Baxter's mortgage
26 banker/broker license under ORS 86A.115(3).

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

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Division of Finance and Corporate Securities
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