

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Michigan Loan Services, LLC
License No. FL-0022523

Enforcement Case No. 21-16412

Respondent.

_____ /

Issued and entered
on October 11, 2021
by Judith A. Weaver
Senior Deputy Director

ORDER ACCEPTING STIPULATION AND REQUIRING COMPLIANCE AND PAYMENT OF FINES

Based upon the Stipulation to Entry of Order and the files and records of the Department of Insurance and Financial Services (DIFS), the Senior Deputy Director finds and concludes that:

1. The Senior Deputy Director has jurisdiction and authority to adopt and issue this Order Accepting Stipulation and Requiring Compliance and Payment of Fines in this proceeding pursuant to the Michigan Administrative Procedures Act (APA), as amended, MCL 24.201 *et seq.*, and the Mortgage Brokers, Lenders, and Servicers Licensing Act (MBLSLA), 1987 PA 173, MCL 445.1651 *et seq.*
2. All required notices have been issued in this case and the notices and service thereof were appropriate and lawful in all respects.
3. Acceptance of the Stipulation to Entry of Order is reasonable and in the public interest.
4. All applicable provisions of the APA have been met.
5. DIFS' Report of Examination found that Respondent violated MCL 445.1652(1) and MCL 445.1679(2).

Now therefore, based upon the Stipulation to Entry of Order and the facts surrounding this case, **IT IS ORDERED THAT:**

- A. Respondent shall comply with all terms agreed to in the Stipulation to Entry of Order.
- B. Respondent shall pay to the State of Michigan, through DIFS, a civil fine of \$3,000.00. Respondent shall pay the fine by the invoice due date.

- C. The Senior Deputy Director retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as shall be deemed just, necessary, and appropriate in accordance with the MBLSLA. Failure to abide by the terms and provisions of the Stipulation to Entry of Order and this Order may result in the commencement of additional proceedings, and/or additional penalties as provided by law and/or in the Stipulation to Entry of Order.



Judith A. Weaver
Senior Deputy Director

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STIPULATION TO ENTRY OF ORDER

Michigan Loan Services, LLC (Respondent) stipulates to the following:

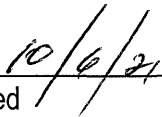
1. Respondent became licensed as a mortgage broker, lender, and servicer under the Mortgage Brokers, Lenders, and Servicers Licensing Act (MBLSLA), 1987 PA 173, MCL 445.1651 *et seq.*, on September 12, 2019.
2. In the exercise of its statutory authority and responsibility, the Department of Insurance and Financial Services (DIFS) conducted an examination of Respondent, Examination No. 51821, pursuant to the MBLSLA. The exam began on October 12, 2020, and concluded on December 23, 2020. The Report of Examination found that Respondent had violated provisions of the MBLSLA.
3. On or about July 24, 2021, DIFS served Respondent with a Notice of Opportunity to Show Compliance (NOSC) alleging that, on 93 occasions from 2017 until the time it was licensed on September 12, 2019, Respondent acted as a mortgage servicer without a license, in violation of MCL 445.1652(1). In addition, by allowing its managing member Michael Smith to act as a mortgage broker without first obtaining a license, in violation of MCL 445.1652(1), Respondent violated MCL 445.1679(2). Respondent's conduct provides justification for the Director to order sanctions under MCL 445.1679(2).
4. Respondent exercised its right to an opportunity to show compliance pursuant to the Michigan Administrative Procedures Act (APA), MCL 24.201 *et seq.*
5. DIFS and Respondent have conferred and have agreed this matter may be resolved pursuant to the terms set forth below.
6. Respondent admits the allegations contained in the NOSC and desires to avoid the time and expense of formal proceedings and agrees to resolve this matter pursuant to this Stipulation to Entry of Order.
7. Respondent further agrees to the following:
 - a. **Respondent will pay the State of Michigan a civil fine of \$3,000.00 within thirty (30) days of the date of the DIFS' invoice.**
8. Respondent agrees to cease and desist from operating in any manner that violates the MBLSLA, including the specific violations alleged in the NOSC.

9. In addition to the other penalties stated in this Stipulation to Entry of Order, Respondent agrees that the failure to complete any aspect of this Stipulation to Entry of Order, including failure to complete any aspect within the time period or periods indicated herein, may, in DIFS' sole discretion, result in:
 - a. The doubling of the civil fine to \$6,000.00;
 - b. The automatic suspension of Respondent's mortgage broker, lender, and servicer license;
 - c. The denial of any renewals or future license applications; and
 - d. An administrative action for the revocation of Respondent's mortgage broker, lender, and servicer license and further civil fines, up to and including the maximum amount allowed under the MBLSLA.
10. Respondent warrants and agrees that its respective representative or representatives have the right and legal authority to execute this Stipulation to Entry of Order and legally bind Respondent.
11. The Parties agree that this Stipulation to Entry of Order represents their full and complete agreement in this matter and that the whole agreement between them is written in this Stipulation to Entry of Order. There are no terms or conditions, express or implied, other than expressly stated in this Stipulation to Entry of Order. This Stipulation to Entry of Order may be amended or modified only by an instrument in writing, signed by the parties with the same formality as this Stipulation to Entry of Order.
12. Both parties have complied with the procedural requirements of the APA and the MBLSLA.
13. Respondent understands and agrees that this Stipulation to Entry of Order will be presented to the Senior Deputy Director for approval.
14. Respondent agrees that the Senior Deputy Director has jurisdiction and authority to approve and adopt this Stipulation to Entry of Order pursuant to the Code.
15. The Senior Deputy Director may, in her sole discretion, decide to accept or reject the Stipulation to Entry of Order. If the Senior Deputy Director accepts the Stipulation to Entry of Order, Respondent waives the right to a hearing in this matter and consents to the entry of the Order Accepting Stipulation and Requiring Compliance and Payment of Fines. Respondent further waives the right to a hearing regarding any and all additional penalties that may be imposed pursuant to ¶ 9 of the Stipulation to Entry of Order. If the Senior Deputy Director does not accept the Stipulation to Entry of Order, Respondent waives any objection to the Director holding a formal administrative hearing and making a decision after such hearing.

16. Respondent has had an opportunity to review the Stipulation to Entry of Order and the proposed Order Accepting Stipulation and Requiring Compliance and Payment of Fines and have the same reviewed by legal counsel.




Michael D. Smith, Managing Member,
on behalf of Michigan Loan Services, LLC



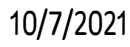
Dated

DIFS Staff approve this Stipulation to Entry of Order and recommend that the Director issue an Order Accepting Stipulation and Requiring Compliance and Payment of Fines.

Department of Insurance and Financial Services



By: Joshua S. Smith (P63349)
Staff Attorney



Dated