

Suffolk, SS.

In the Matter of Chad Smith

Mortgage Loan Originator
License No. MLO1366875

Whereas, Chad Smith, a licensed mortgage loan originator under Massachusetts General Laws (M.G.L.) chapter 255F, section 2, has been advised of his right to Notice and Hearing pursuant to M.G.L. chapter 30A, sections 10 and 11, and having waived those rights, entered into a Stipulation and Consent to the Issuance of a Consent Order (Consent Agreement) with representatives of the Division of Banks (Division) dated May 8, 2025, whereby, solely for the purpose of settling this matter and without admitting any allegations or implications of fact or the existence of any violations of applicable state and federal statutes or rules, Chad Smith agrees to the issuance of this Consent Order (Consent Order) by the Commissioner of Banks (Commissioner);

Whereas, the Division has jurisdiction over the licensing and regulation of persons engaged in the business of a mortgage loan originator in Massachusetts pursuant to M.G.L. chapter 255F, section 2 and its implementing regulations 209 Code of Massachusetts Regulations (C.M.R.) 41.00 *et seq.*;

Whereas, Chad Smith is licensed by the Commissioner as a mortgage loan originator under M.G.L. chapter 255F, section 2. According to records maintained on file with the Division and the Nationwide Multi State Licensing System & Registry (NMLS), the Commissioner initially

issued a mortgage loan originator license, license number MLO1366875, to Chad Smith to engage in the business of a mortgage loan originator on or about June 23, 2017, and Chad Smith is sponsored by Massachusetts licensed Mortgage Broker and Mortgage Lender CrossCountry Mortgage, LLC (“CrossCountry”);

Whereas, pursuant to M.G.L. chapter 255F, section 8, Massachusetts licensed mortgage loan originators must annually complete a minimum of 8 hours of continuing education courses (CE) approved by the NMLS;

Whereas, the Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act) requires that state-licensed mortgage loan originators complete pre-licensing (PE) and continuing education (CE) courses as a condition to be licensed and also requires that all education completed as a condition for state licensure be approved by the NMLS;

Whereas, the NMLS has established a Rules of Conduct (ROC) to further ensure students meet the education requirements of the SAFE Act and NMLS Education Students completing PE and CE courses agree to abide by the ROC which state, in relevant part:

4. I will not divulge my login ID or password or other login credential(s) to another individual for any online course.
5. I will not seek or attempt to seek outside assistance to complete the course.
6. I will not give or attempt to give assistance to any person who is registered to take an NMLS approved pre-licensure or continuing education course.
9. I will not engage in any conduct that is dishonest, fraudulent, or would adversely impact the integrity of the course(s) I am completing and the conditions for which I am seeking licensure or renewal of licensure.

Whereas, on or about February 4, 2010, the Mortgage Testing and Education Board (MTEB), acting on behalf of the State Regulatory Registry (SRR) and the NMLS approved

Administrative Action Procedures for SAFE Testing and Education Requirements, which extends administrative authority to the MTEB/SRR to investigate alleged violations of the NMLS ROC, which apply to all SAFE MLO test takers and education students;

Whereas, on or about September 5, 2024, and based upon the aforementioned information in the Suspicious Report, the SRR Investigative Review Committee (IRC) sent CrossCountry Mortgage a “Notice of Investigation” notifying the company of the investigation into the suspected violation of the NMLS ROC by CrossCountry Employees including Chad Smith and his rights associated with the investigation to include the opportunity to respond to the suspected violation;

Whereas, on or about October 30, 2024, the IRC sent CrossCountry a “Notice of Determination” notifying the company that the SRR completed the investigation and determined that Chad Smith violated the NMLS ROC. The Notice of Determination also informed CrossCountry of Chad Smith’s rights associated with the investigation, and included the opportunity to appeal the IRC’s determination that he violated the NMLS ROC;

Whereas, based upon a review and investigation of information provided to the Division, Chad Smith violated the ROC;

Whereas, the violations of the ROC, as described above, are evidence that Chad Smith has failed to exhibit the character, reputation, integrity, and general fitness such as to command the confidence of the community that would be required in order to hold a mortgage loan originator license pursuant to Massachusetts General Laws chapter 255F, section 4(a)(iii) and the Division’s regulation 209 C.M.R. 41.04(2)(d);

Whereas, the parties now seek to resolve by mutual agreement the matters identified above.

ORDER

NOW COME the parties in the above-captioned matter, the Division and Chad Smith, and stipulate and agree as follows:

1. Immediately upon the effective date of this Consent Order, Chad Smith will refrain from negotiating, soliciting, arranging, providing, or accepting any Massachusetts residential mortgage loan application, or assisting any consumer in completing such application, or otherwise operate as a mortgage loan originator, as that term is defined under M.G.L. chapter 255F, section

2. Immediately upon the effective date of this Consent Order, the Division will update the license status of Chad Smith in Massachusetts in the NMLS to “Terminated – Ordered to Surrender.”

3. Chad Smith will refrain from submitting an application for a mortgage loan originator license issued by the Commissioner for a period of three (3) months from the effective date of this Consent Order (the Term).

4. Chad Smith shall remit one thousand dollars (\$1,000.00) to the Commonwealth of Massachusetts Mortgage Loan Settlement Trust upon execution of this Consent Order. The funds shall be payable by cashier’s check to the “Commonwealth of Massachusetts, Division of Banks Mortgage Loan Settlement Trust” and mailed to the Division of Banks, Attn: Mortgage Examination Unit, One Federal Street, Suite 710, Boston, Massachusetts 021180.

5. Chad Smith is prohibited from taking an ownership position in any additional entity licensed and regulated by the Division, and from participating, in any manner, in the responsibilities or duties of a control person of any additional other licensed or chartered entity for a period of three (3) months. For the purposes of this Consent Order, “control” shall be defined as the power, directly or indirectly, to direct the management or policies of a company, whether

through ownership of securities, by contract, or otherwise. To the extent that Chad Smith wishes to resume or engage in business as a licensed mortgage loan originator at the expiration of the Term, Chad Smith shall be required to submit a completed application to obtain the relevant license from the Commissioner. Further, for the next three (3) years from the date of this Consent Order, on an annual basis, Chad Smith shall demonstrate and attest that he completed eight (8) hours of SAFE Mortgage Loan Originator Training, and one (1) hour Massachusetts SAFE Mortgage Loan Originator Training, or their updated equivalents, in person. For the subsequent two (2) years after completing in-person training, Chad Smith shall demonstrate and attest that he completed eight (8) hours of SAFE Mortgage Loan Originator Training, and one (1) hour Massachusetts SAFE Mortgage Loan Originator Training, or their updated equivalents, either in-person or via an online course where the student's identity and participation is verified by an instructor and/ or administrator. Such training must be approved by the NMLS and proof of compliance shall be provided to the Division. The Commissioner shall have all of the discretion set forth within M.G.L. chapter 255F, section 4 and the Division's implementing regulation 209 C.M.R. 41.00 *et seq.* in determining whether to issue a license to Chad Smith to conduct the licensed business; provided, however, that any such application shall not be denied because Chad Smith entered into or agreed to the issuance of this Consent Order.

6. The provisions of this Consent Order shall not limit, estop, or otherwise prevent any other state agency or department from taking any other action affecting Chad Smith.

7. In accordance with the terms of the Consent Agreement entered by Chad Smith and the Commissioner, Chad Smith has waived all rights of appeal that he may have relative to this Consent Order or any of its provisions.

8. The provisions of this Consent Order shall remain effective and enforceable except to the extent that, and until such time as, any provisions of this Consent Order shall have been modified, terminated, suspended, or set aside by the Commissioner or upon an order of a court of competent jurisdiction.

9. This Consent Order and the Consent Agreement are the complete documents representing the resolution of this matter. There are no other agreements, promises, representations, or warranties other than those set forth in this Consent Order and the Consent Agreement.

BY ORDER AND DIRECTION OF THE COMMISSIONER OF BANKS:

Dated at Boston, Massachusetts, this 8th day of May, 2025.

By:
Mary L. Gallagher
Commissioner of Banks
Commonwealth of Massachusetts