
*
IN THE MATTER OF: *
*
LOANSNAP, INC. *
d/b/a LOANSNAP *
NMLS # 76967 *
*
(“LoanSnap”) *
*

CONSENT ORDER

WHEREAS, the Banking Commissioner (“Commissioner”) is charged with administration of Part I of Chapter 668, Sections 36a-485 to 36a-534b, inclusive, of the Connecticut General Statutes, “Mortgage Lenders, Correspondent Lenders, Brokers and Loan Originators”;

WHEREAS, LoanSnap is a California corporation, which maintained a main office at 3070 Bristol Street, Suite 200, Costa Mesa, California, until May 16, 2024;

WHEREAS, LoanSnap had been licensed to engage in the business of a mortgage lender in Connecticut since January 26, 2021. On December 24, 2023, Respondent applied for renewal of its mortgage lender license, which application is currently pending;

WHEREAS, on July 11, 2024, LoanSnap’s license to engage in the business of a mortgage lender in Connecticut was automatically suspended pursuant to subdivisions (2) and (3) of Section 36a-490(b) of the Connecticut General Statutes, as a result of LoanSnap’s failure to file with the Nationwide Multistate Licensing System and Registry (“NMLS”) a change of address of its main office at least thirty (30) calendar days prior to such change and failure to provide a bond rider or endorsement, or addendum, as applicable, to the surety bond on file with the Commissioner, and as a result of LoanSnap’s use of an address other than the address specified on NMLS;

WHEREAS, on July 24, 2024, the Commissioner received notice from The Cincinnati Insurance Company that surety bond # 679430, issued on behalf of LoanSnap with respect to its mortgage lender license, would be cancelled effective August 24, 2024. To date, LoanSnap has not submitted a letter of reinstatement of the bond from the surety company, or a new bond;

WHEREAS, LoanSnap had previously entered into a Consent Order dated May 15, 2024 with the Commissioner (“May 2024 Consent Order”);

WHEREAS, the Commissioner, through the Consumer Credit Division of the Department of Banking has conducted an investigation, into the activities of LoanSnap, pursuant to Section 36a-17 of the Connecticut General Statutes to determine if it had violated, was violating or was about to violate the provisions of the Connecticut General Statutes within the jurisdiction of the Commissioner;

WHEREAS, as a result of such investigation, the Commissioner alleges that: (1) LoanSnap used an address other than the address specified on NMLS, in violation of Section 36a-490(b)(2) of the Connecticut General Statutes; (2) LoanSnap failed to file with NMLS a change of address of its main office at least thirty (30) calendar days prior to such change and failed to provide a bond rider or endorsement, or addendum, as applicable, to the surety bond on file with the Commissioner, in violation of Section 36a-490(b)(2) of the Connecticut General Statutes; (3) LoanSnap failed to implement policies and procedures acceptable to the Commissioner to effectuate subparagraphs (a) through (c), inclusive, of paragraph 4 of the Consent to Entry of Sanctions within the May 2024 Consent Order, in violation of the May 2024 Consent Order; (4) LoanSnap and its control persons failed to timely disclose the May 2024 Consent Order on NMLS, in violation of Section 36a-490(c) of the Connecticut General Statutes; (5) LoanSnap made or caused to be made false statements in its Company (MU1) Form on NMLS, in violation of Section 36a-53a of the Connecticut General Statutes, specifically that (a) at all times relevant hereto, LoanSnap falsely stated that it did not have any unsatisfied judgments or liens against it, when in fact a default judgment was entered in suit filed by Wells Fargo Bank, N.A. against LoanSnap in the United States District Court of Minnesota in the amount of \$431,511.75 on November 7, 2023 (Case No. 23-cv-2626(DWF/JFD)), which to date remains unsatisfied (suit alleged breach of contract relating to a

mortgage loan LoanSnap sold to Wells Fargo which did not meet contractual requirements, including that it had excessive or unsupported debt-to-income ratio), (b) at all times relevant hereto, LoanSnap falsely stated that it did not have any pending financial services-related civil actions in which the entity is named, when in fact the following financial services-related civil actions are pending: (i) on April 27, 2023, Mortgage Capital Trading, Inc. filed suit against LoanSnap in the Superior Court of California, County of San Diego (Case No. 37-2023-00018363-CU-BC-CTL), seeking damages resulting from LoanSnap's failure to pay monies due pursuant to a Hedging and Loan Sales Optimization Program contract in the amount of \$64,000 plus interest¹, (ii) on July 18, 2023, South Street Securities, LLC filed suit against LoanSnap in the Supreme Court of the State of New York, County of New York (Index No. 653461/2023), alleging that LoanSnap failed to pay losses incurred from securities trading pursuant to a Master Securities Forward Transaction Agreement, seeking damages of \$9,492.19 plus interest², and (iii) on May 16, 2024, Anderson Tax LLC filed suit against LoanSnap in the Supreme Court of the State of New York, County of New York (Index No. 652525/2024), alleging LoanSnap's breach of a security agreement, with allegations concerning a \$5 million advance and related Warehousing Note and Mortgage Warehousing and Security Agreement, seeking \$900,000 balance due plus interest, late fees and attorney fees; (6) LoanSnap failed to file on NMLS its 2024 Quarter 1 Mortgage Call report due May 15, 2024, in violation of Section 36a-534b(c) of the Connecticut General Statutes; and (7) LoanSnap advertised to consumers on its website that it was licensed in states in which it was not, in violation of Section 36a-498d(b) of the Connecticut General Statutes;

WHEREAS, such investigation further revealed that on February 23, 2024, landlord MGR OC1, LLC filed an unlawful detainer action against tenant LoanSnap in the Superior Court of California, County of Orange (Case No. 30-2024-01381553-CU-UD-CJC), alleging past-due rent, holdover damages,

¹ To date, LoanSnap has failed to appear in the case.

² To date, LoanSnap has failed to appear in the case.

attorney fees and costs. The judge ordered that LoanSnap be evicted from the premises, with sheriff lock-out on May 16, 2024, and the landlord now seeks judgment in the amount of \$537,304³;

WHEREAS, such investigation further revealed that on December 19, 2023, Optimal Blue, LLC filed suit against LoanSnap in the Superior Court of California, County of Orange, Central Justice Center, Civil Division (Case No. 30-2023-01368868-CU-CL-CJC), alleging LoanSnap failed to pay for services provided by Optimal Blue, LLC on credit in the amount of \$207,192.93⁴;

WHEREAS, as a result of such investigation, the Commissioner also alleges that LoanSnap fails to demonstrate that its financial responsibility, character and general fitness are such as to command the confidence of the community and to warrant a determination that LoanSnap will operate honestly, fairly and efficiently within the purposes of Sections 36a-485 to 36a-498e, inclusive, 36a-498h, 36a-534a and 36a-534b of the Connecticut General Statutes, as required by Section 36a-489(a)(1)(C) of the Connecticut General Statutes;

WHEREAS, the Commissioner believes that such allegations would support initiation of enforcement proceedings against LoanSnap, including, without limitation, proceedings to issue an order revoking and refusing to renew LoanSnap’s license to engage in the business of a mortgage lender in Connecticut pursuant to Sections 36a-494(a)(1) and 36a-494(a)(1)(C) of the Connecticut General Statutes, and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes, to issue an order to cease and desist against LoanSnap pursuant to Section 36a-494(b) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty of up to One Hundred Thousand Dollars (\$100,000) upon LoanSnap pursuant to Sections 36a-494(b) and 36a-50(a) of the Connecticut General Statutes;

WHEREAS, initiation of such enforcement proceedings would constitute a “contested case” within the meaning of Section 4-166(4) of the Connecticut General Statutes. Section 4-177(c) of the Connecticut General Statutes and Section 36a-1-55(a) of the Regulations of Connecticut State Agencies provide that a contested case may be resolved by consent order, unless precluded by law;

³ To date, LoanSnap has failed to appear in the case.

⁴ To date, LoanSnap has failed to appear in the case.

WHEREAS, the Commissioner and LoanSnap acknowledge the possible consequences of formal administrative proceedings, and LoanSnap voluntarily agrees to consent to the entry of the sanction imposed below without admitting or denying any allegations set forth herein, and solely for the purpose of obviating the need for formal administrative proceedings concerning the allegations set forth herein;

WHEREAS, LoanSnap has represented that it has no pending Connecticut loan applications and has ceased mortgage lending activities in Connecticut;

WHEREAS, the Commissioner and LoanSnap now desire to resolve the matters set forth herein;

WHEREAS, LoanSnap acknowledges that it has had the opportunity to consult with and be represented by independent counsel in negotiating and reviewing this Consent Order and executes this Consent Order freely;

WHEREAS, in the course of LoanSnap's discussions with the Department, LoanSnap sought to negotiate the surrender of its license to engage as a mortgage lender in Connecticut in lieu of revocation. LoanSnap was advised that due to the outstanding nature and extent of the above-referenced allegations, any surrender request would not be accepted;

WHEREAS, LoanSnap acknowledges that this Consent Order is a public record and is a reportable event for purposes of the regulatory disclosure questions on NMLS, as applicable;

AND WHEREAS, LoanSnap, through its execution of this Consent Order, voluntarily agrees to waive its procedural rights, including a right to a notice and an opportunity for a hearing as it pertains to the allegations set forth herein, and voluntarily waives its right to seek judicial review or otherwise challenge or contest the validity of this Consent Order.

CONSENT TO ENTRY OF SANCTION

WHEREAS, LoanSnap, through its execution of this Consent Order, consents to the Commissioner's entry of a Consent Order imposing the following sanction:

1. Effective on the date this Consent Order is executed by the Commissioner, LoanSnap's license to engage in the business of a mortgage lender in Connecticut shall be **REVOKED** pursuant to Sections 36a-494(a)(1) and 36a-494(a)(1)(C) of the Connecticut General Statutes, and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes.

CONSENT ORDER

NOW THEREFORE, the Commissioner enters the following:

1. The Sanction set forth above be and is hereby entered;
2. Upon issuance of this Consent Order by the Commissioner, this matter will be resolved and the Commissioner will not take any future enforcement action against LoanSnap based upon the allegations set forth herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against LoanSnap based upon a violation of this Consent Order or the matters underlying its entry, if the Commissioner determines that compliance with the terms herein is not being observed or if any representation made by LoanSnap and reflected herein is subsequently discovered to be untrue;
3. LoanSnap shall not take any action or make or permit to be made any public statement, including in regulatory filings, any proceeding in any forum or otherwise, denying, directly or indirectly, any allegation referenced in this Consent Order or create the impression that this Consent Order is without factual basis. Except as specifically provided herein, LoanSnap shall not take any position in any proceeding brought by or on behalf of the Commissioner, or to which the Commissioner is a party, that is inconsistent with any part of this Consent Order. Nothing in this provision affects LoanSnap's (i) testimonial obligations, or (ii) right to take any legal or factual position that may contradict an allegation in this Consent Order in litigation or other legal proceedings in which the Commissioner is not a party;
4. This Consent Order shall be binding upon LoanSnap and its successors and assigns; and
5. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut
this 2nd day of October 2024.

/s/

Jorge L. Perez
Banking Commissioner

I, Allan Carroll, state on behalf of LoanSnap, Inc. d/b/a LoanSnap that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of LoanSnap, Inc. d/b/a LoanSnap; that LoanSnap, Inc. d/b/a LoanSnap agrees freely and without threat or coercion of any kind to comply with the sanction entered and terms and conditions ordered herein; and that LoanSnap, Inc. d/b/a LoanSnap voluntarily agrees to enter into this Consent Order, expressly waiving the procedural rights set forth herein as to the matters described herein.

By: /s/
Name: Allan Carroll
Title: President (Interim)
LoanSnap, Inc. d/b/a LoanSnap

State of: California

County of: San Francisco

On this the 1st day of October, 2024, before me, Johan Manchola, Notary Public, the undersigned officer, personally appeared Allan Edmond Carroll, who acknowledged himself/herself to be the President of LoanSnap, Inc. d/b/a LoanSnap, a corporation, and that he/she as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as President.

In witness whereof I hereunto set my hand.

/s/
Notary Public
Date Commission Expires: 3/7/2026