

1 PRELIMINARY DECLARATION OF GARY N. SMITH

2 I, GARY N. SMITH, having been engaged as a residential mortgage loan
3 expert/consultant, declare:

4 1. I am a practicing registered mortgage loan originator, in Arizona
5 and other jurisdictions, a nationally published mortgage loan author of seven
6 mortgage textbooks, an instructor of mortgage loan and real estate finance
7 classes approved by the Nationwide Mortgage Licensing System and Registry and
8 the Arizona Department of Real Estate and a confidential consultant to
9 mortgage licensees and other state regulators.

10 2. From 1990 to date I have been actively engaged in the mortgage
11 industry as an originator, branch manager, production manager, or owner. As
12 part of my management duties, I was responsible for the education and
13 training of my staff in proper and ethical conduct of an originator,
14 compliance with law and regulation and policies and procedures for the proper
15 and compliant treatment of consumers. I am a Certified Mortgage Consultant,
16 as prescribed by the National Association of Mortgage Professionals and
17 earned this designation in 2006.

18 3. I have been an author for mortgage lending textbooks published by
19 Hondros Learning of Westerville, Ohio since 2013. As a mortgage author, I
20 perform extensive research for my books including current mortgage law, legal
21 court cases or settlements involving mortgage entities and the Consumer
22 Financial Protection Bureau and Arizona Department of Financial Institutions
23 and also research and analyze legal requirements for licensees. The books
24 that I write are used by real estate schools nationwide and also provide on-
25 line instruction for students. I review many industry items each week to
26 remain current on all changes of rules, regulations, practices and loan
27 programs in the constantly changing industry of residential mortgage loans.
28 As an established expert in the mortgage field, I have consulted with the

1 Arizona Attorney General's Office and the Arizona Department of Financial
2 Institutions in license revocation hearings, testifying regarding the proper
3 instruction and education required of licensees.

4 4. As an instructor for the Arizona School of Real Estate and Business
5 since 2008, I educate students of a wide range of mortgage topics in the
6 mortgage and real estate industry. As an instructor, my main focus of
7 education is providing comprehensive training that meets the requirements of
8 the NMLS twenty hour mandatory education requirement. This education
9 includes the many statutes that govern and regulate the mortgage industry and
10 the actions of its participants, training in the various loan programs and
11 methods of qualifications, emphasizing the importance of assessing the
12 borrower's ability to repay a mortgage loan, enforcing ethical principles in
13 lending, and detailing a licensee's activities and mortgage knowledge
14 required to lawfully and ethically perform the functions of an originator. I
15 also provide instruction to current licenses to meet the license renewal
16 education requirement of eight hours annually. This instruction provides the
17 student the latest mortgage regulations and product changes. I am the author
18 of both of the textbooks that are used for these classes. I also provide the
19 instruction for Arizona mortgage broker license applicants to satisfy the
20 minimum education requirement of twenty-four hours. I provide instruction
21 regarding federal and state statutes and information about all phases of the
22 mortgage broker business. Loan processing classes, taught by me, provide a
23 comprehensive overview of the mortgage industry and the proper and legal
24 manner to gather information on behalf of borrowers, correct disclosure
25 requirements and the requirements of an ethical and compliant loan to be sold
26 to secondary investors. I instruct real estate broker applicants in mortgage
27 theory and application for their preparation to take the real estate broker
28 test for an Arizona license. I also provide continuing education to real

1 estate sales and broker licensees to increase their knowledge of mortgage
2 applications in the real estate business.

3 5. My opinions are consistent with my own mortgage knowledge, research,
4 authored material, instruction, consultation and practice.

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8 Gary N. Smith
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