

1 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
2 DIVISION OF FINANCE AND CORPORATE SECURITIES
3 FINANCE SECTION
4 BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
5 STATE OF OREGON

6 In the Matter of:)
7 Affordable Lending Group, Inc.)
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FINAL ORDER BY DEFAULT
#O-98-0020

ORDER TO CEASE AND DESIST
ORDER TO ASSESS CIVIL PENALTY

On or about September 30, 1998, service of the Order to Cease and Desist, Order to Assess Civil Penalties, and Notice of Right to Hearing was attempted on Affordable Lending Group, Inc. Please see the attached affidavit regarding such attempted service. The Division has made reasonable effort to serve Affordable Lending Group, Inc. with notice of the Order to Cease and Desist, Order to Assess Civil Penalties, and Notice of Right to Hearing. This notice granted the licensee 20 days to request a hearing. No such request has been received.

NOW, THEREFORE, after consideration of the records and files of the Division relating to this matter, the Division enters the following Order by default.

The Director of the Department of Consumer and Business Services for the State of Oregon acting by the authority of the Mortgage Bankers and Brokers Laws (hereinafter "Mortgage Lender Law") ORS 59.840 through 59.965, hereby issues the following Findings of Fact, Conclusions of Law.

FINDINGS OF FACT

The Director **FINDS** that:

1. AFFORDABLE LENDING GROUP, INC. (hereinafter "Respondent") was located at 512 State Street, Salem, OR 97301. This address is also listed with the Secretary of State, Corporations Division, as the address for the registered agent of Respondent.
2. The Division of Finance and Corporate Securities (hereinafter "Division") received a

1 complaint on the activities of Respondent on June 4, 1998.

2 3. This complaint centered around allegations that Respondent did not properly
3 expedite the loan process, and failed to return the borrower's file after it was apparent that
4 Respondent could not secure a loan for the borrowers. This complaint is still open.

5 4. Upon receipt of the borrower's complaint, research into records of the Division
6 revealed that Respondent was not properly licensed as a mortgage banker/broker under
7 ORS 59.840 et.seq. Respondent was operating a mortgage banker/broker business from
8 512 State St., Salem, OR, 97301. Respondent advertised as a mortgage banker/broker on
9 at least three occasions in the Statesman Journal newspaper.

10 5. Contact with Respondent was made to determine the nature of Respondent's
11 business, and the volume of loan applications taken and closed by Respondent while not
12 licensed with the Division.

13 6. Respondent asserted that they were a branch location of Investment Strategies,
14 Inc., a properly licensed mortgage broker with the Division. Research into the Investment
15 Strategies, Inc. file revealed that neither Respondent's name nor location were a properly
16 licensed branch location of Investment Strategies, Inc.

17 7. Contact was made with Investment Strategies, Inc., who replied, in writing, that
18 Respondent was not a branch of their company, and that Investment Strategies, Inc. had
19 closed four loans for Respondent as a courtesy to the borrowers.

20 8. Respondent was contacted and told that they were not to do any more mortgage
21 banker/broker business until they were properly licensed as a mortgage banker/broker or
22 as a branch location of another licensee.

23 9. To date, Respondent has filed no application with the Division to become a licensed
24 mortgage banker/broker, nor has the Division received an application for Respondent to
25 become a branch location of a properly licensed mortgage banker/broker.

26 10. Respondent has failed to provide the Division with a listing of loan applications
27 taken and closed during the time they were operating without a license. Respondent has
28 represented that the listing provided by Investment Strategies, Inc. listing the four loans

1 closed is true and correct.

2 11. The Division has received additional inquiries by third parties claiming to be owed
3 money from Respondent for services rendered, such as the performance of appraisals.

4 **CONCLUSIONS OF LAW**

5 The Director **CONCLUDES** that:

6 1. Respondent conducted unlicensed activity as a mortgage banker/broker in violation of
7 ORS 59.845.

8 2. Respondent has not remedied the violation through submission of a mortgage
9 banker/broker application, or through submission by a licensed mortgage banker/broker to
10 make Respondent a branch location.

11 **ORDER**

12 The Director, pursuant to ORS 59.885(4) hereby **ORDERS** that Respondent will
13 **CEASE AND DESIST** from:

- 14 1. Violating any provisions of ORS 59.840 through 59.960; and
- 15 2. Doing any mortgage banker/broker business without proper licensing by the Division.

16 The Director, pursuant to ORS 59.996, hereby **ORDERS** Respondent to pay the
17 State of Oregon a civil penalty of \$5,400, \$5,000.00 for knowingly conducting a mortgage
18 broker business without a license, and \$100.00 for each of the 4 closed loans.

19 The entry of this Order in no way limits further remedies which may be available to
20 the Director under Oregon law.

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22 Date of Service: 11/16/98

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24 **NOTICE:** You are entitled to judicial review of this Order. Judicial review may be obtained
25 by filing a petition for review within 60 days from the service of this Order. Judicial review

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1 is pursuant to the provisions of ORS 183.482 to the Oregon Court of Appeals.

2 Dated this 12th day of November, 1998 at Salem, Oregon.

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**MICHAEL GREENFIELD, DIRECTOR
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**

by 
**R.M. NOCKLEBY, ADMINISTRATOR
DIVISION OF FINANCE AND CORPORATE SECURITIES**