

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

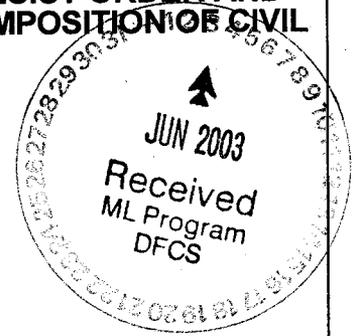
6 In the Matter of

7 HOME LOAN CORPORATION DBA
8 EXPANDED MORTGAGE CREDIT

9 ORDER NO. O-03-0005

10 CEASE AND DESIST ORDER AND
11 CONSENT TO IMPOSITION OF CIVIL
12 PENALTIES

13 To: Home Loan Corporation dba Expanded Mortgage Credit
14 2350 North Belt East Ste 850
15 Houston, Texas 77032



16 WHEREAS the Director of the Department of Consumer and Business Services
17 for the State of Oregon (hereinafter "the Director") conducted an investigation of Home
18 Loan Corporation dba Expanded Mortgage Credit, and determined that Home Loan
19 Corporation dba Expanded Mortgage Credit engaged in activities constituting violations
20 of ORS 59.840 through 59.965 (hereinafter "the Oregon Mortgage Lender Law"); and

21 WHEREAS Home Loan Corporation dba Expanded Mortgage Credit wishes to
22 resolve and settle this matter with the Director;

23 NOW THEREFORE, as evidenced by the authorized signatures subscribed on
24 this order Home Loan Corporation dba Expanded Mortgage Credit hereby **CONSENTS**
25 to entry of this order upon the Director's Findings of Fact and Conclusions of Law as
26 stated hereinafter:

060303-037-002-001-0500-0000350000

FINDINGS OF FACT

The Director **FINDS** that:

1. Home Loan Corporation dba Expanded Mortgage Credit (hereinafter "Respondent"), incorporated in Texas on November 15, 1988, engages in residential

1 mortgage transactions in Oregon or on Oregon real property in expectation of
2 compensation. Respondent has been continuously licensed to engage in Oregon
3 residential mortgage transactions since February 24, 2000.

4 2. The Office of the State Bank Commissioner in the State of Kansas (hereinafter
5 "Kansas SBC") required Respondent to maintain a surety bond as part of the
6 requirements to engage in mortgage lending in Kansas.

7 3. Respondent's Kansas bond was provided through Amwest Surety Insurance
8 Company until January 25, 2001 when the bond was cancelled.

9 4. Respondent asserts that it did not receive notice from Amwest Surety
10 Insurance Company that the bond was being cancelled.

11 5. On December 27, 2000, the Kansas SBC sent Randall Smith at Respondent
12 a letter (hereinafter "the December 27, 2000 letter") to 2350 N Belt East Suite 850
13 Houston Texas 77032 indicating that the Kansas SBC had received notice from Amwest
14 Surety Insurance Company that Respondent's Kansas bond would be cancelled
15 effective January 25, 2001.

16 6. Amanda Smith signed for the December 27, 2000 letter on behalf of
17 Respondent on January 2, 2001.

18 7. On January 25, 2001, the Kansas SBC signed an Order of Revocation
19 (hereinafter "the Kansas Revocation") in "In the Matter of Home Loan Corporation dba
20 Expanded Mortgage Credit and Stephen Toplansky," case number 01-CM-41 based
21 upon Respondent's failure to maintain a surety bond as required.

22 8. On January 25, 2001, the Kansas SBC served Respondent with the Kansas
23 Revocation by mail which was Respondent's notice of the imposition of revocation
24 proceedings against Respondent.

25 9. On February 8, 2001, the Kansas SBC received a valid surety bond along with
26 a copy of a letter to Randy Smith at Respondent from Thomas J. Baker III of John L.

1 Wortham & Son, LLP dated February 1, 2001 with the handwritten statement "We just
2 received this. We changed bonding companies and it took longer than expected to get
3 the new bond issued. Sorry Randy Smith."

4 10. The valid surety bond provided to the Kansas SBC by Respondent resolved
5 the revocation proceedings initiated on January 25, 2001 before the Kansas Revocation
6 became effective.

7 11. As of February 25, 2001, Respondent had not provided notice to the Director
8 of the Kansas Revocation.

9 12. Respondent voluntarily disclosed the existence of the Kansas Revocation
10 through Respondent's license renewal filed in January 2003 with the Director. That
11 voluntary disclosure was the first notice that the Director received of the Kansas
12 Revocation.

13 13. Respondent asserts that it has improved its internal controls to assure ongoing
14 compliance with Oregon's reporting requirements.

15 **CONCLUSIONS OF LAW**

16 The Director **CONCLUDES** that:

17 1. Respondent violated OAR 441-860-0070(1)(b) by failing to provide notice within 30
18 days of the institution of revocation procedures against Respondent by Kansas.

19 **ORDER**

20 The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that Home Loan
21 Corporation dba Expanded Mortgage Credit will **CEASE AND DESIST** from violating any
22 provision of Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010
23 and any rule, order, or policy issued by the Director.

24 The Director, pursuant to ORS 59.996 hereby **ORDERS** Home Loan Corporation
25 dba Expanded Mortgage Credit to pay the State of Oregon a civil penalty of \$3,500 for
26 the violation of OAR 441-860-0070(1)(b).

1 The date of the Order is the date the Director signs the Order. The entry of this
2 Order in no way limits further remedies which may be available to the Director under
3 Oregon law.

4
5 Dated this 6th day of JUNE, 2003.

6
7 **CORY STREISINGER, DIRECTOR**
8 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**

9
10 by 
11 **DAVID C. TATMAN, CHIEF OF ENFORCEMENT**
12 **DIVISION OF FINANCE AND CORPORATE SECURITIES**

13
14
15 **CONSENT TO ENTRY OF ORDER**

16 I, BENJAMIN E. STREUSAND, state that I am the
17 PRESIDENT of Home Loan Corporation dba Expanded Mortgage Credit,
18 and I am authorized to act on its behalf; that I have read the foregoing Order and that
19 I know and fully understand the contents hereof; that Home Loan Corporation dba
20 Expanded Mortgage Credit admits the findings of fact herein, voluntarily consents to the
21 entry of this Order without further hearing, expressly waiving any right to a hearing in this
22 matter; that Home Loan Corporation dba Expanded Mortgage Credit understands that
23 the Director reserves the right to take further actions to enforce this order or to take
24 appropriate action upon discovery of other violations of Oregon Mortgage Lender Law;
25 and that Home Loan Corporation dba Expanded Mortgage Credit will fully comply with
26 Oregon Mortgage Lender Law.

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I understand that this Consent Order is a public document.

Dated this 29 day of MAY, 2003.

By BENJAMIN E. STREUSAND PRESIDENT
(Office Held)

[Signature]
(Signature)

CORPORATE ACKNOWLEDGMENT

There appeared before me this 29th day of MAY, 2003,
BENJAMIN E. STREUSAND who was first duly sworn on oath, and stated that s/he was
and is the PRESIDENT of Home Loan Corporation, dba Expanded Mortgage
Credit and HE is authorized and empowered to sign this Consent to
Entry of Order on behalf of Home Loan Corporation dba Expanded Mortgage Credit and
to bind Home Loan Corporation dba Expanded Mortgage Credit to the terms hereof.

[Signature]
Signature of Notary Public
Notary Public for the State of: Texas
My Commission expires: May 21, 2006

