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**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES**

**BEFORE THE DIRECTOR OF THE DEPARTMENT
OF CONSUMER AND BUSINESS SERVICES**

In the Matter of:

M-11-0103

**Multi-State Home Lending Inc.

Respondent.**

**Order to Cease and Desist, Order Assessing
Civil Penalties and
Consent to Entry of Order**

WHEREAS the Director (hereinafter the “Director”) of the Department of Consumer & Business Services for the State of Oregon (hereinafter the “Department”) conducted an investigation into the activities of Multi-State Home Lending Inc. and determined Multi-State Home Lending Inc. engaged in activities constituting violations of ORS 86A.095 et seq. (hereinafter cited as the Oregon Mortgage Lender Law); and

WHEREAS Multi-State Home Lending Inc. wishes to resolve this matter with the Director,

NOW THEREFORE, as evidenced by the authorized signature subscribed on this order, Multi-State Home Lending Inc. hereby **CONSENTS** to the entry of this order upon the Director’s Findings of Fact and Conclusions of Law as stated hereinafter:

FINDINGS OF FACT

The Director FINDS that:

1. Multi-State Home Lending Inc. (hereinafter “Home Lending”) is a California corporation first registered with the Oregon Secretary of State on April 22, 2005.

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387





1 2. Home Lending obtained an Oregon mortgage broker license from the Division of Finance
2 and Corporate Securities (hereinafter the “Division”) on July 29, 2005.

3 3. Home Lending’s principal place of business is listed as 2081 Business Center Drive Suite
4 190, Irvine, California 92612.

5 4. In 2011, the Nationwide Mortgage Licensing System (hereinafter “NMLS”) released the
6 mortgage call report (hereinafter “MCR”) functionality. The MCR is comprised of individual
7 reports of activity by state, called Residential Mortgage Loan Activity reports (hereinafter
8 “RMLA”), that are compiled and submitted by the company to NMLS on a quarterly basis for
9 each state in which the company does business or sponsors a mortgage loan originator license.

10 5. The intent was for companies to gather data for the first quarter of 2011 (hereinafter
11 “Q1”), and Q1 reports would be due 45 days after the end of Q1. Thereinafter companies were
12 then required to submit each quarterly report 45 days after the end of the quarter.

13 6. The NMLS online Resource Center provided the following time frames and due dates for
14 companies’ MCRs. Q1 data dates from January 1 through March 31, and the MCR is due on
15 May 15, 2011. Quarter two (hereinafter “Q2”) data dates from April 1 through June 30, and the
16 MCR is due on August 14, 2011.

17 7. Since this was a new report, the Division undertook an extensive campaign to notify
18 companies of the new MCR reporting requirement. All emails were sent to the email address of
19 record for the company.

20 8. In this case the emails were sent to tnewell@mshlinc.com which was the email address of
21 record for Home Lending at all times relevant to this order.

22 9. The first notification was sent on January 12, 2011, notifying Home Lending of the MCR
23 requirements via email.

24 10. The second notification was sent via email on March 9, 2011, notifying Home Lending
25 that the Winter 2011 newsletter was available on the Division’s website. The newsletter
26 contained an article that outlined the MCR requirements, including when the quarterly reports



1 were due.

2 11. The third notification was posted on the Division's website and mailed to Home Lending
3 via regular U.S. mail. This notification was the Spring Newsletter which included information
4 about the requirement to file a quarterly call report in NMLS.

5 12. A fourth notification was sent on May 13, 2011, explaining that both the Q1, and Q2
6 reports were due on August 14, 2011.

7 13. A fifth notification was made on August 5, 2011, when the Division posted a deficiency
8 on NMLS notifying them of the requirement to file the MCR in Oregon. When a deficiency is
9 placed in NMLS an email is automatically sent to the licensee.

10 14. A sixth notification was sent via email on August 5, 2011, notifying Home Lending of
11 the need to file a Q2 MCR report.

12 15. A seventh notification was sent via email on August 16, 2011, notifying Home Lending
13 of the need to file a Q2 MCR report.

14 16. An eighth notification was sent via regular us mail on August 19, 2011, to the address of
15 record for Home Lending per NMLS. The letter notified Home Lending that they are required to
16 file the MCR, including Oregon RMLA, for Q2 of 2011. The letter explained that the report had
17 to be filed by September 23, 2011 or the matter would be referred for enforcement action.

18 17. On September 23, 2011, the Division reviewed NMLS and learned that Home Lending
19 had not filed their Q2 MCR. The matter was then referred to enforcement.

20 CONCLUSIONS OF LAW

21 The Director CONCLUDES that:

22 1. By failing to file the Q2 MCR including RMLA for Oregon in NMLS by August 14,
23 2011, after being notified to do so numerous times, Home Lending continuously violated ORS
24 86A.239(2).

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ORDERS

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

1. The Director, pursuant to ORS 86A.127, hereby ORDERS Home Lending to Cease and Desist from violating Oregon’s Mortgage Lender Law.
2. The Director, pursuant to ORS 86A.992(1) and ORS 86A.992(2), hereby orders Home Lending to pay a civil penalty of \$1,000 for the violation of ORS 86A.239(2) described herein.

Dated this 7th day of December, 2011.

SCOTT L. HARRA, Acting Director
Department of Consumer and Business Services

/s/ David Tatman
David C. Tatman, Administrator
Division of Finance and Corporate Securities

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Labor and Industries Building
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CORPORATE CONSENT TO ENTRY OF ORDER

I, Mark Goudge, state that I am an officer of Multi-State Home Lending Inc., and I am authorized to act on its behalf; that I have read the foregoing Order and that I know and fully understand the contents hereof; that I and this entity have been advised of the right to a hearing and of the right to be represented by counsel in this matter; that Multi-State Home Lending Inc. voluntarily and without any force or duress, consents to the entry of this Order, expressly waiving any right to a hearing in this matter; that Multi-State Home Lending Inc. understands that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Mortgage Lender Law; and that Multi-State Home Lending Inc. will fully comply with the terms and conditions stated herein.

I further assure the Director that neither Multi-State Home Lending Inc., nor its officers, directors, employees or agents, will effect mortgage transactions in Oregon unless such activities are in full compliance with Chapter 86A of the Oregon Revised Statutes.

Multi-State Home Lending Inc. understands that this Consent Order is a public document.

Dated this 21 day of November, 2011.

By /s/ Mark Goudge, CEO
(Signature) (Office Held)

ENTITY ACKNOWLEDGMENT

There appeared before me this 21st day of November 2011 Mark Goudge who was first duly sworn on oath, and stated that he was and is an officer of Multi-State Home Lending Inc. and that he is authorized and empowered to sign this Consent to Entry of Order on behalf of Multi-State Home Lending Inc., and to bind Multi-State Home Lending Inc. to the terms hereof.

/s/ Scott Keller
Notary Public for the State of California
My commission expires: August 8, 2015

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