

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-13-0081

Horga Inc.  
NMLS # 70934

Order Conditioning Mortgage  
Banker/Broker License, Order to Cease  
and Desist, Order Assessing Civil  
Penalties, and Consent to Entry of Order

Respondent.

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter “the Director”) conducted an investigation of Horga Inc. (hereinafter “Horga”) and determined that Horga engaged in activities constituting a violation of ORS 86A.100 et seq. and OAR 441-850-0005 through 441-885-0010 (hereinafter collectively cited as the “Oregon Mortgage Lender Law”); and

WHEREAS Horga wishes to resolve and settle this matter with the Director,

NOW THEREFORE, as evidenced by the authorized signature subscribed on this order, Horga hereby **CONSENTS** to 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. Horga is an Oregon corporation formed on December 3, 2002 with a principal place of business located at 17811 NE Glisan St., Portland, OR 97230.
2. Horga first obtained an Oregon mortgage banker/broker license from the Oregon Division of Finance and Corporate Securities (hereinafter the “Division”) on January 14, 2004, NMLS# 70934.
3. Horga held an Oregon license in 2012 and is currently licensed.





1 4. The Oregon Mortgage Lender Law requires licensed mortgage bankers and  
2 mortgage brokers to file an annual report with the Division concerning its residential  
3 mortgage lending activity.

4 5. The deadline for filing the annual report for 2012 mortgage lending activity was  
5 March 31, 2013.

6 6. On January 11, 2013, the Division made public a website  
7 <https://www4.cbs.state.or.us/exs/dfcs/mlrpt/index.cfm> that licensees were to use to file its  
8 annual reports. The Division posted a link to that website from the Division's mortgage lending  
9 home page along with information on the annual report requirements.

10 7. The Division's mortgage lending home page also included a prominent notice about  
11 the requirement.

12 8. On January 11, 2013, the Division sent an e-mail to the e-mail address of record for  
13 Horga reminding that an annual report was due, and that the deadline was March 31, 2013.

14 9. All e-mails were sent to [crina@interbankloans.com](mailto:crina@interbankloans.com) which has been the e-mail address of  
15 record in NMLS for Horga at all times material to this order.

16 10. On March 18, 2013, the Division sent an e-mail to Horga reminding that Horga had not  
17 filed the annual report, and that the deadline was March 31, 2013.

18 11. On April 3, 2013, the Division sent Horga a letter to its address of record in  
19 NMLS, its principal place of business, notifying that it was required to file the 2012 annual  
20 report for Oregon. The letter warned that if Horga did not file by May 3, 2013, the matter  
21 would be referred for enforcement action and a civil penalty assessed.

22 12. On April 3, 2013, the Division also sent an e-mail to Horga notifying of the missed  
23 deadline and warning of the enforcement action and civil penalty for failure to file by May 3,  
24 2013.

25 13. Since Horga did not file its annual report by May 3, 2013, the matter was  
26 referred for enforcement on May 7, 2013.



1 14. Horga successfully filed the annual report for 2012 activity on June 18, 2013.

2 15. In 2011, the Nationwide Mortgage Licensing System (hereinafter “NMLS”) released  
3 the mortgage call report (hereinafter “MCR”) functionality. The MCR includes a licensed  
4 mortgage broker’s Residential Mortgage Loan Activity (hereinafter “RMLA”) that is compiled  
5 and submitted by the company to NMLS on a quarterly basis.

6 16. The Division undertook an extensive compliance campaign to notify all companies of  
7 the new quarterly MCR reporting requirement throughout 2011 and 2012. The Division has  
8 continued with routine communication about this recurring requirement.

9 17. The quarterly reports are due 45 days following the end of each quarter, such that the  
10 first quarter (hereinafter “Q1”) 2013 MCR was due May 15, 2013.

11 18. Horga employed at least one licensed loan originator during the Q1 of 2013.

12 19. On May 7, 2013, since Horga had not filed the 2013 Q1 MCR with Oregon RMLA, the  
13 Division sent an e-mail to Horga notifying of the Q1 requirement and the upcoming May 15,  
14 2013 deadline.

15 20. On May 17, 2013, since Horga had not filed the 2013 Q1 MCR, the Division sent  
16 an e-mail to Horga notifying that the 2013 Q1 MCR with Oregon RMLA was past due. The  
17 email warned that if Horga failed to file the 2013 Q1 MCR by June 16, 2013, the company  
18 would be subject to civil penalties.

19 21. On May 17, 2013, the Division sent Horga a letter notifying that if the 2013 Q1 MCR  
20 was not filed by June 16, 2013, the matter would be referred for enforcement action.

21 22. On June 5, 2013, the Division placed a deficiency on the company’s license  
22 notifying of the obligation to file the report by the June 16, 2013 deadline, or the matter would  
23 be referred for enforcement action.

24 23. Horga successfully filed the 2013 Q1 MCR with Oregon RMLA on June 18, 2013.

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1 **CONCLUSIONS OF LAW**

2 The Director CONCLUDES that:

- 3 1. By failing to file the annual report for 2012 mortgage lending activity by March 31,  
4 2013, Horga violated ORS 86A.112(3) and OAR 441-865-0025.  
5 2. By failing to file the 2013 Q1 MCR with Oregon RMLA in NMLS by May 15, 2013,  
6 Horga violated ORS 86A.239(2).

7 **ORDERS**

8 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

9 The Director, pursuant to ORS 86A.127, hereby ORDERS Horga to cease and desist  
10 from violating Oregon's Mortgage Lender Law.

11 The Director, pursuant to ORS 86A.992, may assess civil penalties of up to \$100 per day  
12 each day the annual report is not filed.

13 The Director, pursuant to ORS 86A.992(2), hereby orders Horga to pay a civil penalty  
14 of \$1,500 for the violation of ORS 86A.112(3), OAR 441-865-0025, and ORS 86A.239(2).  
15 Horga will make five monthly payments of \$300 to the Oregon Division of Finance and  
16 Corporate Securities, Oregon Department of Consumer and Business Services toward the civil  
17 penalty until the total balance is paid. The first payment is due on November 1, 2013 along  
18 with the signed consent order, and payments are due on the 15<sup>th</sup> day of the month after that  
19 starting on December 15. There is no prepayment penalty. There is no interest for the civil  
20 penalty installment payments, so long as payments are timely made in compliance with this  
21 payment plan. If any monthly payment is not received pursuant to the above payment plan, the  
22 remaining balance shall be become immediately due and payable.

23 The Director, pursuant to ORS 86A.115, hereby ORDERS that, effective the date of this  
24 order, a conditional Oregon mortgage banker/broker license shall be issued to Horga, Inc. until  
25 further order of the Director subject to renewal fee and document requirements. The conditional  
26 license shall be subject to the following conditions such that if Horga fails to comply, Horga,



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agrees that the license shall be revoked:

1. Horga shall make a timely filing of all financial reports or other information that the director by rule or order requires, including but not limited to the annual report for mortgage lending activity, the quarterly Mortgage Call Report, and a written response to the Division examination reports, and shall promptly correct a document filed with the Director that is or becomes incomplete or inaccurate in any material respect under ORS 86A.112(2).
2. Horga shall not, until further order of the Director, hire or engage an independent contractor as a loan originator, other than Crina Horga or Diana Ciot, without prior written approval of the Division, which will include providing an acceptable, current supervision plan.

Notwithstanding the foregoing, Horga may, following a period of three years wherein all Division required reports are timely filed, all required civil penalties and fines are timely paid, no open or substantiated complaints made with the Division, and otherwise complies with the terms of this order, make written application to the Director for an unconditional license.

The Director will review and act upon any application or request for licensing according to the current law, including any rights available to request a contested case hearing on any licensing or registration decision. This does not mean any request will be granted, but the request will be reviewed by the Director.

Dated this 10th day of October, 2013.  
PATRICK M. ALLEN, Director  
Department of Consumer and Business Services

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

