

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:

Residential Finance Corporation  
NMLS-1652

Respondent.

M-13-0101

Order to Cease and Desist,  
Order Assessing Civil Penalty, and  
Consent to Entry of Order

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

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

**NOW THEREFORE**, as evidenced by the authorized signature subscribed on this order, Residential 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. Residential Finance Corporation (Residential) is a foreign corporation first incorporated in Ohio on May 12, 1997.
2. Residential first obtained an Oregon mortgage broker license from the Division of Finance and Corporate Securities (Division) on May 2, 2011, ML-5063.
3. Residential’s principal place of business is located at One Easton Oval, Suite 400, Columbus, OH 43219.

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1           4. The Oregon Mortgage Lender Law requires licensed mortgage bankers and  
2 mortgage brokers to file an annual report with the Division concerning their 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. By 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 their  
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 Residential, [tribblej@myrfc.com](mailto:tribblej@myrfc.com), notifying Residential that they had not filed the annual report  
14 and the deadline was March 31, 2013.

15          9. After sending the e-mail to Residential on January 11, 2013, a problem was  
16 discovered with the Division's website and the Division notified Residential of the problem.

17          10. On January 14, 2013, the Division sent an e-mail to Residential alerting them that  
18 the website was again working correctly and that they must file the report by March 31, 2013.

19          11. On March 18, 2013, the Division sent Residential a reminder e-mail to the  
20 company's e-mail address of record noting that the company had not yet filed the annual report  
21 and that the deadline to do so was March 31, 2013.

22          12. On April 3, 2013, Residential had not filed an annual report for 2012.

23          13. On April 3, 2013, the Division sent Residential a warning letter to the address  
24 of record in NMLS notifying them that they are required to file the 2012 annual report for  
25 Oregon. The letter warned that if Residential did not file by May 3, 2013, the matter would be  
26 referred for enforcement action and a civil penalty assessed.

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1 14. On April 3, 2013, the Division also sent an email to Residential notifying them of  
2 the missed deadline and warning them of the enforcement action and civil penalty for failure to  
3 file by May 3, 2013.

4 15. Since Residential did not file its annual report by May 3, 2013, the matter was  
5 referred for enforcement on May 7, 2013.

6 16. Residential filed its annual report on June 17, 2013.

7  
8 **CONCLUSIONS OF LAW**

9 The Director concludes that:

10 1. By failing to file the annual report for 2012 mortgage lending activity by March 31,  
11 2013, Residential violated ORS 86A.112(3) and OAR 441-865-0025.

12 **ORDERS**

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

14 The Director, pursuant to ORS 86A.127, hereby ORDERS Residential to Cease and  
15 Desist from violating Oregon's Mortgage Lender Law.

16 The Director, pursuant to ORS 86A.992(2), may assess civil penalties of up to \$100 per  
17 day each day the report is not filed. The Director, pursuant to ORS 86A.992(2), hereby orders:

- 18 a. Residential to pay a civil penalty of \$1,000 for the violation of ORS 86A.112(3) and  
19 OAR 441-865-0025.  
20 b. If Residential does timely pay the \$1,000 civil penalty, then the full amount of the  
21 \$4,000 shall become due and owing immediately.

22 Dated this 2nd day of August, 2013 at Salem, Oregon.

23  
24 PATRICK M. ALLEN, Director  
25 Department of Consumer and Business Services

26  
/s/ David Tatman  
David C. Tatman, Administrator  
Division of Finance and Corporate Securities

