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

In the Matter of:

Lori Manley(NMLS ID# 114537),

Respondent.

Case No. M-13-0134

Order Granting Conditional Mortgage Loan
Originator License, Order Assessing Civil
Penalties, and Consent to Entry of Order

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (Director) conducted an investigation into the fitness of Lori Manley (Manley or Respondent) and determined that Respondent engaged in activities constituting violations of Oregon Revised Statutes ORS 86A.200 to 86A.239 and Oregon Administrative Rules (OAR) 441-850-0005 through 441-885-0010 (collectively referred to as Oregon Loan Originator Law) as well as an investigation into the fitness of Respondent to renew her mortgage loan originator license under the Oregon Loan Originator Law;

WHEREAS Respondent wishes to resolve and settle this matter with the Director;

NOW THEREFORE, as evidenced by authorized signature subscribed on this order, Respondent hereby CONSENTS to entry of this order upon the Director’s Findings of Fact and conclusions of Laws as stated hereinafter.

I. FINDINGS OF FACT

The Director finds that:

1. Respondent, NMLS ID Number 114537, first obtained her Oregon mortgage loan originator’s license on July 31, 2010.

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. The license for a loan originator expires on December 31st of each year. Prior to
2 that date, the Division of Finance and Corporate Securities (Division) sends notices to all
3 licensees reminding them of the upcoming deadline. The notices are sent to the licensee's
4 e-mail address of record in the Nationwide Mortgage Licensing System (NMLS). It is the
5 responsibility of the licensees to provide a current e-mail address.

6 3. On August 31, 2012, an e-mail was sent to Respondent reminding her of the
7 educational requirements to renew her license. Respondent was also reminded that if her
8 license was as not in active status and her renewal was not approved, she would not be
9 eligible to originate loans after December 31, 2013.

10 4. On September 17, 2012, Respondent updated her e-mail address in NMLS.
11 Respondent has not changed her e-mail address since that time.

12 5. On November 1, 2012, the Division sent another e-mail to all eligible MLOs
13 notifying them to renew their license. Manley was also advised that if she did not renew her
14 license, she could not originate loans after December 31, 2012.

15 6. On November 26, 2012, the Division sent another e-mail to all eligible MLOs
16 reminding them to renew their license. Manley was again advised that if she did not renew her
17 license, she could not originate loans after December 31, 2012.

18 7. On December 13, 2012, Manley filed her renewal request.

19 8. On December 14, 2012, as part of the licensing procedure, the Division reviewed the
20 credit report authorized by Manley and found an entry for bankruptcy and several unpaid
21 judgments.

22 9. The Division reviewed the most recent information provided by Manley to NMLS
23 and found that the neither the bankruptcy nor the unpaid judgments had been disclosed. A
24 deficiency was placed on her license requiring her to report the bankruptcy by answering yes to
25 Question A-1 on the application, provide an explanation of the circumstances leading to the
26



1 bankruptcy and provide bankruptcy documentation. In addition Manley was required to
2 respond regarding the unpaid judgments listed on the credit report.

3 10. As part of Manley's renewal application, Manley had attested that the information on
4 the application was true, accurate, and complete, even though she had answered "no" to
5 question A-1 regarding bankruptcy.

6 11. On December 18, 2013, Manley e-mailed various documents to the Division but did
7 not upload the documents in NMLS as required. The Division notified Manley on the same
8 date that the information must be uploaded in NMLS.

9 12. On December 28, 2013, Manley filed an amendment to her licensing application
10 disclosing the bankruptcy. Although Manley filed four pages of documents, she did not file the
11 bankruptcy petition or schedules.

12 13. A review of the information provided by Manley revealed that the bankruptcy
13 payment plan was dated November 7, 2012, and was filed with the bankruptcy court on
14 November 9, 2012. However, Manley did not disclose the bankruptcy in NMLS until
15 December 28, 2012, more than 30 days after the filing of the bankruptcy.

16 14. On January 2, 2013, an e-mail was sent to Manley notifying her that her license
17 renewal was still pending and that she was no longer authorized to take loan applications.

18 15. Manley acknowledged the e-mail the same day by sending an e-mail confirming that
19 she had uploaded the materials.

20 16. On January 7, 2013, the Division reviewed Manley's filings and placed a deficiency
21 requiring her to upload her discharge or petition in bankruptcy, including all schedules.

22 17. On February 15, 2013, the Division sent Manley an email notifying her that her
23 renewal application was still pending and that she was not authorized to take Oregon loan
24 applications.

25 18. Manley received the e-mail and responded the same day.
26



1 19. On February 19, 2013, the Division responded to Manley's e-mail with instructions
2 on how to upload materials in NMLS and advised Manley that the NMLS call center could help
3 her with those issues.

4 20. NMLS records show that Manley filed an amendment on February 20, 2013.

5 21. The new filing was a 25 page attachment that included her Chapter 13 payment plan
6 and her divorce decree but did not include the bankruptcy schedules.

7 22. On February 27, 2013, the Division reviewed the new disclosure explanation and
8 found that Manley had not attached the bankruptcy schedules as required. A new deficiency
9 was placed indicating that she must upload the schedules as she had uploaded the petition but
10 not the schedules.

11 23. A deadline of March 28, 2013, was given for Manley to clear the deficiencies or her
12 application would be rejected.

13 24. Manley did not timely clear the deficiencies. Her renewal application was rejected on
14 April 15, 2013, by the Division as abandonment by the licensee (failure to timely respond to
15 deficiencies).

16 25. On April 16, 2013, Manley spoke with Mortgage Lending Program Manager, Kirsten
17 Anderson and told Anderson that she believed that she had completed all of the Division's
18 requirements.

19 26. Anderson told that Manley she had never responded to the deficiencies regarding the
20 bankruptcy schedules. It became clear to Anderson that Manley had continued to originate loans
21 even though Manley had repeatedly been told since January 1, 2013, that she could no longer
22 engage in loan origination.

23 27. Manley requested additional time to cure the renewal issue. Anderson reinstated her
24 renewal and gave Manley until May 1, 2013, to file the amendment with the schedules. Manley
25 emailed Anderson on the same day indicating that Manley had filed the amendment. However,
26 the amendment did not appear in MNLS until April 23, 2013.



1 28. On April 16, 2013, Manley sent Anderson an e-mail listing the loan applications that
2 Manley had originated as a loan originator at Cascade Residential Mortgage LLC (Cascade).

3 29. After review of the materials uploaded in April 2013 and discussions with her
4 employer, Anderson spoke with Manley on April 30, 2013, and told her that the Division was
5 not willing to give Manley a full license with no conditions but would be willing to give Manley
6 a conditional license and explained the conditions under which the Division would issue
7 Manley a license. Manley was agreeable to the conditional license.

8 30. Because it would take some time to complete the formal conditional license order,
9 Anderson and Manley then agreed that the Division would change her license status in NMLS
10 to approved-conditional and placed external notes that the Division was in the process of
11 placing formal conditions on Manley's license. The change in NMLS occurred on April 30,
12 2013. Since that time, Manley has been able to lawfully originate loans.

13 31. On May 15, 2013, Cascade provided a pipeline report indicating that Manley took at
14 least eleven applications for Oregon residential mortgage loans on behalf of the company
15 between January 1, 2013, and April 30, 2013.

16 32. During the period between January 1, 2013 and April 30, 2013, Manley originated the
17 following loan applications:

	<u>Name</u>	<u>Application Date</u>
18		
19	K	01-03-13
20	C	02-01-13
21	F	02-05-13
22	H	02-07-13
23	T	02-26-13
24	B	03-01-13
25	H	01-03-13
26	R	03-25-23
	N	04-08-13
	J	04-08-13
	A	04-02-13

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1 II. CONCLUSIONS OF LAW

2 The Director CONCLUDES that:

3 33. By not updating her license application until December 28, 2012, more than 30
4 days after she had filed for bankruptcy, Respondent failed to notify the Director within 30
5 days of filing for bankruptcy in violation of OAR 441-880-0320(1).

6 34. By attesting that her application was true and correct on December 13, 2012,
7 when it did not disclose that she had filed for bankruptcy, Respondent made a material
8 misstatement of fact on her application, which constitutes grounds to condition the license
9 under ORS 86A.224(1)(c).

10 35. Respondent violated ORS 86A.203(1) by taking applications for eleven Oregon
11 residential mortgage loans between January 1, 2013 and April 30, 2013 when she was not
12 licensed to engage in Oregon residential mortgage loans, which also constitutes grounds to
13 condition the license under ORS 86A.224(1)(d).

14 36. Respondent has failed to demonstrate the financial responsibility, character, and
15 general fitness to command the confidence of the community warranting a determination
16 that Respondent will operate honestly, fairly, and efficiently as required under ORS
17 86A.212(1)(d) and OAR 441-880-0210(1)(d) by repeatedly failing to file required
18 documents, by submitting a license application with a material misstatement, by filing for
19 bankruptcy, and failing to timely disclose the filing of her Chapter 13 bankruptcy.
20 Respondent's lack of financial responsibility, character, and general fitness is grounds for
21 the Director to deny the license under ORS 86A.212(1)(d) or deny, condition, revoke, or
22 suspend the license under ORS 86A.224(1)(b).

23 III. ORDER

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

25 37. The Director, pursuant to ORS 86A.224, hereby orders that, effective as of April 30,
26 2013, the Oregon loan originator license issued to Respondent shall be conditioned until further



1 order of the Director. In addition to completing the requirements of any mortgage loan
2 originator licensees including, but not limited to, the continuing education and renewal
3 requirements, the license issued to Respondent shall be subject to the following conditions:

- 4 a. Respondent shall comply with ORS Chapter 86A, OAR 441-850-
5 0050 through OAR 441-885-0010 and any rule, order, or policy
6 issued by the Director.
- 7 b. Respondent shall file an amendment updating any information
8 contained on Respondent's licensing application in NMLS within
9 30 days of the change of any information.
- 10 c. Respondent shall respond within 30 days to any deficiency placed
11 on Respondent's license in the NMLS.
- 12 d. Respondent shall demonstrate financial responsibility under the standards
13 set forth in OAR 441-880-0210. Respondent shall not have any unpaid
14 judgments, unpaid tax liens, foreclosures, new bankruptcy filings, or any
15 three accounts that are 90 days or more past due, and must comply with
16 repayment plans, particularly the current Chapter 13 repayment plan, as
17 required.
- 18 e. Pursuant to ORS 86A.224(3)(a) Respondent shall pay a civil penalty of
19 \$11,000, a \$1,000 per loan generated while unlicensed. However, the
20 Division will suspend \$10,000 of the civil penalty for a period of three
21 years. If in the period between the date of the Order to three years from
22 the date of the Order, Respondent violates any provision of the Oregon
23 Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 or
24 any rule, order, or policy issued by the Division, the suspended portion
25 of the assessed civil penalty will become immediately due and payable.
26 If Respondent does not violate the Oregon Mortgage Lender Law, OAR



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441-850-0005 through 441-885-0010 or any rule, order, or policy issued by the Division in three years from the date of the Order, the suspended portion of the civil penalty is waived.

f. Respondent shall make monthly payments of \$100 per moth until the unsuspended portion of the civil penalty, \$1,000, is paid in full.

Payments shall be made no later than the 15th day of each month beginning in September 2013, and continuing each month thereafter until the full amount of \$1,000 is paid in full. **A missed payment**

constitutes violation of this order and is grounds to revoke

Respondent's conditional license.

38. If Respondent fails to comply with the conditions of this license, Respondent agrees to notify the Division within 20 days of the failure to meet the conditions and surrender her license immediately. If Respondent fails to surrender her license within seven days of providing notification to the Division or from the date that the Division notifies Respondent that the Director believes that there has been a violation of this Order, whichever is earlier, Respondent agrees that the conditional mortgage loan originator license shall be revoked immediately.

39. The date of this order is the day the Director or the Director's nominee signs the order.

Dated this 17th day of September, 2013.

Patrick M. Allen, Director
Department of Consumer and Business Services

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

