

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
MORTGAGE LENDING SECTION

BEFORE THE DIRECTOR OF THE DEPARTMENT
OF CONSUMER AND BUSINESS SERVICES

In the Matter of:

Osborne Home Lending, Inc.
NMLS# 277503

M-14-0046

FINAL 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 Osborne Home Lending, Inc. (hereinafter "Osborne") and determined that Osborne engaged in an activity that constitutes 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 Osborne wishes to resolve and settle this matter with the Director,

NOW THEREFORE, as evidenced by the authorized signature subscribed on this order, Osborne 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. Osborne is an Oregon corporation with a principal place of business located at 1449 NW Mulholland Roseburg, OR 97470.
2. Osborne received a mortgage banker/broker license from the Oregon Division of Finance and Corporate Securities (hereinafter "Division") on October 17, 2002, NMLS# 277503.
3. In 2011 the Nationwide Mortgage Licensing System (hereinafter "NMLS") released





1 the mortgage call report (hereinafter “MCR”) functionality. The MCR includes a licensed
2 mortgage broker’s Residential Mortgage Loan Activity (hereinafter “RMLA”) that is compiled
3 and submitted by the company to NMLS on a quarterly basis.

4 4. The quarterly reports are due 45 days following the end of each quarter such that the
5 2014 second quarter (hereinafter “Q2”) MCR was due August 14, 2014.

6 5. Osborne employed at least one licensed loan originator during the 2014 Q2.

7 6. Since Osborne had not filed the 2014 Q2 MCR with Oregon RMLA, on July 31,
8 2014, the Division sent an e-mail to Osborne’s e-mail address of record notifying of the 2014 Q2
9 MCR requirement and informing that if the company did not file by August 14, 2014, the matter
10 would be referred for enforcement action and a civil penalty assessed.

11 7. The email was sent to keno1967@hotmail.com which has been the e-mail address of
12 record for Osborne at all times relevant to this order.

13 8. On August 15, 2014, the Division sent an e-mail notifying that Osborne must file a
14 mortgage call report for the 2014 Q2, and if it did not do so by September 15, 2014, the company
15 would be fined.

16 9. On August 15, 2014, NMLS automatically placed a deficiency on Osborne’s
17 license notifying of the obligation to file the MCR. The deficiency sends an email to the
18 licensee.

19 10. On August 15, 2014, the Division mailed a letter to Osborne’s address of record
20 indicating that the 2014 Q2 MCR had to be filed by September 15, 2014, or the matter would be
21 referred for enforcement action.

22 11. The owner of Osborne, Kenneth Osborne, reported that he did not previously file the
23 2014 Q2 MCR because he mistakenly believed this license had been surrendered.

24 12. Osborne filed the 2014 Q2 MCR on October 29, 2014.

25 CONCLUSIONS OF LAW

26 The Director CONCLUDES that:

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 1. By failing to file the 2014 Q2 MCR including RMLA for Oregon in NMLS by August
2 14, 2014, Osborne violated ORS 86A.239(2).

3 ORDER

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

5 The Director, pursuant to ORS 86A.127, hereby orders Osborne to Cease and Desist from
6 violating the Oregon Mortgage Lender Law.

7 The Director, pursuant to ORS 86A.992, may assess civil penalties of up to \$5,000 per
8 violation of the Oregon Mortgage Lender Law. Pursuant to these provisions, the Director hereby
9 proposes to order Osborne to pay a civil penalty of \$1,000 for the violation of ORS 86A.239(2).

10 Monthly payments of \$100 will be made to the Oregon Division of Finance and Corporate
11 Securities, Oregon Department of Consumer and Business Services toward the civil penalty until
12 the total balance is paid. The first payment is due on December 15, 2014 along with the signed
13 consent order. Payments are due on the 15th day of the month. There is no prepayment penalty.
14 There is no interest for the civil penalty installment payments, so long as payments are timely
15 made in compliance with this payment plan. If any monthly payment is not received pursuant to
16 the above payment plan, the remaining balance shall be become immediately due and payable.

17 The entry of this Order in no way limits further remedies which may be available to the
18 Director under Oregon law, including for the violations noted in the Conclusions of Law section
19 above.

20 Dated this 22nd day of January, 2015.

21 PATRICK M. ALLEN, Director
22 Department of Consumer and Business Services

23
24 /s/ David Tatman
25 David C. Tatman, Administrator
26 Division of Finance and Corporate Securities

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 ENTITY CONSENT TO ENTRY OF ORDER

2 I, Kenneth Osborne, state that I am an officer of Osborne, and I am authorized to act on
3 its behalf. I have read the foregoing order and that I know and fully understand the contents
4 hereof. I have been advised of the right to a hearing and of the right to be represented by
5 counsel in this matter. Osborne voluntarily and without any force or duress consents to the
6 entry of this order expressly waiving any right to a hearing in this matter. Osborne understands
7 that the Director reserves the right to take further actions to enforce this order or to take
8 appropriate action upon discovery of other violations of the Oregon Mortgage Lender Law.
9 Osborne will fully comply with the terms and conditions stated herein.

10 Osborne further assures the Director that neither Osborne, nor its officers, directors,
11 employees, or agents will effect mortgage transactions in Oregon unless such activities are in
12 full compliance with the Oregon Mortgage Lender Law. Osborne understands that this Consent
13 Order is a public document.

14 Dated this 9 day of January, 2014.

15
16 By /s/ Kenneth J. Osborne

17 President
18 Office Held

19 ENTITY ACKNOWLEDGMENT

20 There appeared before me this 9 day of January, 2015

21 Kenneth J. Osborne, who was first duly sworn on oath, and stated that (s)he was and is an
22 officer of Osborne and that (s)he is authorized and empowered to sign this Consent to Entry of
23 Order on behalf of Osborne and to bind Osborne to the terms hereof.

24 /s/ D'Anna J. Casteel

25 Notary Public for the State of: Oregon
26 My commission expires: 3/6/15