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

6 In the Matter of:

7 Margaret Lynn Pelham Foster
8 (NMLS ID# 716349),

9 Respondent.

Case No. M-14-0071

Order Granting Conditional Mortgage Loan
Originator License and Consent to Entry of
Order

10 **WHEREAS** the Director of the Department of Consumer and Business Services
11 for the State of Oregon (“Director”) conducted an investigation into the fitness of
12 Margaret Lynn Pelham Foster (hereinafter “Pelham Foster” or “Respondent”) to obtain a
13 mortgage loan originator license under Oregon Revised Statutes (ORS) 86A.200 to
14 86A.239 and Oregon Administrative Rules (OAR) 441-850-0005 through 441-885-0010
15 (hereinafter collectively referred to as “Oregon Loan Originator Law”);

16 **WHEREAS** the Director has determined that the public interest is served by
17 issuing a conditional mortgage loan originator license to Pelham Foster pursuant to ORS
18 86A.224(1)(b);

19 **WHEREAS** Pelham Foster wishes to resolve her application for licensure
20 expeditiously and in full cooperation with the Director, she agrees to enter into a consent
21 agreement and order (“Order”) for conditional licensure as a mortgage loan originator
22 pursuant to ORS 86A.200 to 86A.239;

23 **NOW THEREFORE**, the Director **GRANTS** a conditional mortgage loan
24 originator license to Pelham Foster subject to continuously meeting the requirements to
25 maintain the license. Pelham Foster **CONSENTS** to entry of this Order upon the
26 Director’s Findings of Fact and Conclusions of Law as stated hereinafter:



1 I. FINDINGS OF FACT

2 The Director FINDS that:

3 1. Respondent, NMLS ID Number 716349, applied for an Oregon mortgage loan
4 originator license on May 14, 2013, by completing an application (“Application”) through the
5 Nationwide Mortgage Licensing System (“NMLS”). Among other things, the Application
6 contained an affirmative answers to disclosure question A-1 that asks “Have you filed a
7 personal bankruptcy petition or been the subject of an involuntary bankruptcy petition within
8 the past 10 years?”.

9 2. Respondent disclosed that she had filed for bankruptcy under Chapter 7 in 2006 when
10 her ex-husband failed to pay the debts that were awarded to him in their bankruptcy and
11 received a discharge on August 10, 2006.

12 3. Based upon the Application, Respondent was granted her first license on May
13 14, 2013. That license has been renewed each year and is currently set to expire on
14 December 31, 2014 unless renewed.

15 4. On December 4, 2014, Respondent filed a request to renew her license and also filed
16 an amendment to her Application that disclosed for the first time that she had filed a second
17 bankruptcy petition. In her amendment and subsequent amendments thereafter, Respondent
18 explained that she filed bankruptcy in 2014 as a result of being unemployed for eight months.

19 5. A review of records for the U.S. Bankruptcy Court for the Western District of
20 Washington revealed that Respondent has filed petitions for bankruptcy under Chapter 7 on
21 September 25, 1996, April 14, 2006 and October 13, 2014. Respondent received a discharge on
22 January 23, 1997 and August 10, 2006. Respondent’s current bankruptcy petition is still
23 pending.

24 II. CONCLUSIONS OF LAW

25 The Director CONCLUDES that:

26 6. By not amending the Application until December 4, 2014, to disclose the



1 Chapter 7 bankruptcy filed on October 13, 2014, Respondent failed to notify the Director
2 within 30 day of filing for bankruptcy in violation of OAR 441-880-0320(1).

3 7. Respondent's violation of OAR 441-880-0320(1) is grounds under ORS
4 86A.224(1)(a) for the Director to place conditions on the Oregon mortgage loan originator
5 license.

6 8. Respondent has failed to demonstrate the financial responsibility, character, and
7 general fitness to command the confidence of the community warranting a determination
8 that Respondent will operate honestly, fairly, and efficiently as required under ORS
9 86A.212(1)(d) and OAR 441-880-0210(1)(d) as a result of her 1997 Chapter 7 bankruptcy
10 discharge, 2006 Chapter 7 bankruptcy discharge and her pending 2014 Chapter 7
11 bankruptcy.

12 9. Respondent's lack of financial responsibility is grounds for the Director to deny
13 an Oregon mortgage loan originator license under ORS 86A.212(1)(d) or deny, suspend,
14 condition, revoke, or decline to renew the license under ORS 86A.224(1)(b).

15 III. ORDER

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

17 10. The Director, pursuant to ORS 86A.224, hereby ORDERS that, effective the date of
18 this order, the Oregon loan originator license issued to Respondent shall be conditioned until
19 further order of the Director. In addition to the requirements of any mortgage loan originator
20 licensee including, but not limited to, the continuing education and renewal requirements, the
21 license shall be subject to the following conditions:

22 a. Respondent shall comply with ORS Chapter 86A, OAR 441-850-
23 0050 through OAR 441-885-0010 and any rule, order, or policy
24 issued by the Director.

25 b. Respondent shall file an amendment updating any information
26 contained on Respondent's licensing application in NMLS within



- 1 30 days of the change of any information.
- 2 c. Respondent shall respond within 30 days to any deficiency placed
- 3 on Respondent's license in the NMLS.
- 4 d. Respondent shall not submit any amendments to her application for
- 5 his Oregon mortgage loan originator license that are not current,
- 6 true, accurate and complete.
- 7 e. Respondent shall demonstrate financial responsibility under the standards
- 8 set forth in OAR 441-880-0210. This specifically means, but is not
- 9 limited to, that during any time that Respondent has an approved Oregon
- 10 mortgage loan originator license, Respondent shall not:
 - 11 i. File or be the subject of any new petition for bankruptcy. This
 - 12 does not include the bankruptcy that is currently pending in case
 - 13 number 14-45509-PBS;
 - 14 ii. Incur any unpaid judgments or tax liens;
 - 15 iii. Fail to pay her obligations such that any three accounts are 90
 - 16 days or more past due; or
 - 17 iv. Have any foreclosure proceedings initiated for any real property
 - 18 in which she is in title to or obligated to make mortgage
 - 19 payments.

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

