1 2	STATE OF O DEPARTMENT OF CONSUMER DIVISION OF FINANC	AND BUSINESS SERVICES	
3 4			
4 5	In the Matter of:	M-16-0289a	
6	Guild Mortgage Company, NMLS No. 3274	Final Order to Cease and Desist and	
7	Respondent.	Consent to Entry of Order	
8	Kespondent.		
9	The Director of the Department of Consumer and Business Services for the State of		
10	Oregon (the Director) conducted an investigation of Guild Mortgage Company (Guild) and		
11	Robert Cooley (Cooler) determined that Guild engaged in activities constituting a violation of		
12	ORS 86A 100 et seg, and OAR 441_850_0005 through 441_885_0010 (collectively cited as the		
13	Oragon Mortgage Londer Low) The activities of Cooley are dealt with in Final Order M 16		
14	0289b.		
15	Guild now wishes to resolve and settle this matter with the Director. As evidenced by		
16	the authorized signature subscribed on this order, Guild consents to entry of this order upon the		
17	Director's Findings of Fact and Conclusions of Law as stated below.		
18	FINDINGS OF FACT		
19	The Director finds that:		
20	1. Guild is a foreign business corporatio	n first incorporated in California on August	
21	10, 1960. Guild's current headquarters are located at 5898 Copley Drive, Stes. 300, 400, and		
22	500, San Diego, CA 92111.		
23	2. Guild is and has been registered with the Oregon Secretary of State's office to do		
24	business in Oregon and was and has been licensed by the Division at all times relevant to this		
25	matter. Guild's license number with the Division is ML-176 and its Nationwide Mortgage		
26	Licensing System (NMLS) No. is 3274.		
	Page 1 of 5 – Guild Mortgage Company - M-16-0 Consent to Entry of Order	289a- Final Order to Cease and Desist and	

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- Guild has a number of branch offices, including a branch office in Walnut Creek,
 California. Robert Cooley (Cooley) is the branch manager for the Walnut Creek office.
- 4. Although the Walnut Creek office is licensed by the Director to engage in Oregon
 mortgage lending activities, Cooley is not licensed to originate residential mortgage loans in
 Oregon. Cooley has never been sponsored by Guild in Oregon.
- 5. A review of Guild's third quarter Mortgage Call Reports by the Division revealed
 that Cooley had originated a residential mortgage loan for Oregon residential borrower, MT.

6. Guild promptly responded to the Division's inquiry and stated that the company's
loan origination systems are designed to ensure that loan officers only originate loans in states
where the loan originator is licensed. Further, the system is designed to prevent individuals
from originating mortgage loans in states in which they are not licensed.

7. Guild conducted an investigation into this matter and determined that a data entry
error by an employee led to Cooley being allowed to originate the transaction regarding MT's
residential loan.

8. Upon discovering the error, Guild expanded its review of its compliance system to ensure that there were no further problems of this nature, including re-evaluating the system's authority levels, and consulting with Guild's internal audit department to evaluate the effectiveness of their key controls and explored the need for the possible implementation of mitigation controls. In addition, Guild counselled Cooley and other employees to ensure that the individuals verified their individual licenses before originating out-of-state loans.

CONCLUSIONS OF LAW

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22 The Director concludes that:

Cooley acted as a loan originator as defined in ORS 86A.200(4)(a) by taking the
 loan application for an Oregon residential mortgage loan for MT on behalf of Guild.

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1	
1	2. By allowing Cooley to originate a residential mortgage transaction in Oregon when
2	the Director had not accepted sponsorship of Cooley by Guild, Guild violated OAR 441-880-
3	0315(2).
4	3. By allowing Cooley to originate a residential mortgage transaction in Oregon when
5	he was not licensed to do so, Guild failed to adequately supervise Cooley in violation of ORS
6	86A.115(16) and OAR 441-860-0040(1).
7	
8	ORDERS
9	1. The Director, pursuant to ORS 86A.127, hereby orders Guild to Cease and
10	Desist from violating Oregon's Mortgage Lender Law.
11	2. The Director, pursuant to ORS 86A.992, may assess a civil penalty in an amount
12	not to exceed \$5,000 per violation against any person who violates or who procures, aids or
13	abets in the violation of any provision of ORS 86A.095 to 86A.198 or any rule or order issued
14	under ORS 86A.124 or 86A.242.
15	3. The Director, pursuant to ORS 86A.992(2), hereby orders Guild to pay a total
16	civil penalty of \$6,000 as follows:
17	a. \$5,000 for one violation of ORS 86A.115(16) and OAR 441-860-0040(1);
18	b. \$1,000 for on violation of OAR 441-880-0315(2).
19	4. However, the Division will suspend \$3,000 of the total civil penalty of \$6,000 as
20	long as Guild does not violate any provision of the Oregon Mortgage Lender Law, OAR 441-
21	850-0005 through 441-885-0010 or any rule, order, or policy issued by the Division. If Guild
22	is found to have committed any such violation, then the suspended portion of the assessed
23	civil penalty will become immediately due and payable. If Guild does not violate the Oregon
24	Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 or any rule, order, or
25	policy issued by the Division in three years from the date of the Final Order, the suspended
26	portion of the civil penalty is waived.

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1	5. Guild shall submit to the Director payment of \$3,000 at the time the Consent Order
2	is submitted to the Director.
3	Dated this <u>5th</u> day of <u>August</u> , 2016.
4	
5	PATRICK M. ALLEN, Director Department of Consumer and Business Services
6	/S/ David Tatman
7	David C. Tatman, Chief Enforcement Officer
8	Division of Financial Regulation
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1			
1	ENTITY CONSENT TO ENTRY OF ORDER		
2	I, <u>/S/ Lisa Klika</u> state that I am an officer of Guild Capital Corporation and I		
3	am authorized to act on its behalf. I have read the foregoing order and I know and fully understand the		
4	contents hereof. I have been advised of the right to a hearing and of the right to be represented by		
5	counsel in this matter. Guild voluntarily and without any force or duress consents to the entry of this		
6	order expressly waiving any right to a hearing in this matter. Guild understands that the Director		
7	reserves the right to take further actions to enforce this order or to take appropriate action upon		
8	discovery of other violations of the Oregon Mortgage Lender Law. Guild will fully comply with the		
9	terms and conditions stated herein.		
10	Guild further assures the Director that neither Guild, nor its officers, directors, employees, or		
11	agents will effect mortgage transactions in Oregon unless such activities are in full compliance with		
12	the Oregon Mortgage Lender Law. Guild understands that this consent order is a public document.		
13			
14	By <u>/S/ Lisa Klika, SVP</u> Title		
15			
16	ACKNOWLEDGMENT		
17	State of California)		
18	State of California))ss. County of San Diego)		
19			
20	This instrument was acknowledged before me on <u>July 29</u> , 2016 by		
21	Terry W. Lewis		
22			
23	/S/ Terry W. Lewis Notary Public		
24	Notary I ublic		
25			
26			
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