STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of: Luba Vakulsky (NMLS ID# 262242), Respondent.	Case No. M-17-0006 Order Granting Conditional Mortgage Loan Originator License and Consent to Entry of Order

The Director of the Department of Consumer and Business Services for the State of Oregon ("Director") conducted an investigation into the fitness of Luba Vakulsky ("Respondent") to maintain a mortgage loan originator license under Oregon Revised Statutes (ORS) 86A.200 to 86A.239 and Oregon Administrative Rules (OAR) 441-850-0005 through 441-885-0010 (hereinafter collectively referred to as "Oregon Loan Originator Law"). The Director has determined that the public interest is served by issuing a conditional mortgage loan originator license to Respondent pursuant to ORS 86A.224(1)(b).

Respondent wishes to resolve her application for licensure expeditiously and in full cooperation with the Director, she agrees to enter into a consent agreement and order ("Order") for conditional licensure as a mortgage loan originator pursuant to ORS 86A.200 to 86A.239.

The Director **GRANTS** a conditional mortgage loan originator license to Respondent subject to continuously meeting the requirements to maintain the license.

Now, therefore, as evidenced by the signature(s) subscribed on this Order, Respondent hereby CONSENTS to entry of this Order.

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FINDINGS OF FACT

The Director FINDS that:

1. Respondent, NMLS ID Number 262242, applied for an Oregon mortgage loan originator license on May 28, 2010, by completing an application ("Application") through the Nationwide Mortgage Licensing System ("NMLS").

2. Respondent's Application, among other things, contained a "yes" answer to disclosure question A-1 that asks "Have you filed a personal bankruptcy petition or been the subject of an involuntary bankruptcy petition within the past 10 years?"

3. Respondent disclosed that she filed for bankruptcy as a result her husband's inconsistent income from when he was self employed. They used credit cards to help pay expenses but his income never increased sufficiently to repay the credit cards. She received a discharge on August 22, 2002 under Chapter 7 in case 302-35187-rld7 in the United States Bankruptcy Court for the District of Oregon (Chapter 7 Bankruptcy).

4. The Division issued Respondent a mortgage loan originator license on July 31, 2010.

5. On September 12, 2014, Respondent filed for bankruptcy under Chapter 13 on September 12, 2014 14-35205-tmb 13in the United States Bankruptcy Court for the District of Oregon (Chapter 13 Bankruptcy).

6. As part of the Chapter 13 Bankruptcy, Respondent is required to make 36 monthly payments of $200 beginning in October 2014.

7. Respondent did not report the Chapter 13 Bankruptcy to the Division until December 1, 2016, more than 30 days after the petition was filed. Respondent filed an amendment in NMLS that day. She explained that she had to file bankruptcy as "a result of several years of debt accumulations and income instability." She further explained that her income dropped in 2008 and remained unstable thereafter. Her expenses increased as a result of having a baby and her husband incurred significant business

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expenses to repair his truck for his trucking business. Some of these debts were charged to credit cards and their income became insufficient to even make the minimum payments.

8. Respondent continued to renew her license every year since 2010. As part of the renewal request, she must submit an attestation in NMLS that the information in NMLS, including the answer to question A(1), is current, true and accurate.

9. The attestation for the renewal of her license for 2015 was filed on December 3, 2014. At the time of this attestation she had filed for the Chapter 13 Bankruptcy, but she did not answer yes to question A(1).

10. The attestation for the renewal of her license for 2016 was filed on November 30, 2015. At the time of this attestation she had filed for the Chapter 13 Bankruptcy, but she did not answer yes to question A(1).

11. The attestation for the renewal of her license for 2017 was filed on December 1, 2016. At the time of this attestation she had filed for the Chapter 13 Bankruptcy, but she did not answer yes to question A(1). Respondent corrected the answer that day upon instruction from the Oregon Division of Financial Regulation.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

12. Respondent has failed to demonstrate the financial responsibility, character, and general fitness to command the confidence of the community warranting a determination that Respondent will operate honestly, fairly, and efficiently as required under ORS 86A.212(1)(d) and OAR 441-880-0210(1)(d) as a result of her 2002 Chapter 7 Bankruptcy and her 2014 Chapter 13 Bankruptcy.

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

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14. By failing to report filing for the Chapter 13 Bankruptcy within 30 days following the filing, Respondent violated OAR 441-880-0320(1).

15. By submitting attestations in NMLS on December 3, 2014, November 30, 2015 and December 1, 2016 indicating that the information listed in NMLS was current, true, and accurate when it failed to disclose that she had filed for the Chapter 13 Bankruptcy, Respondent violated ORS 86A.236(14).

16. Respondent's violation of OAR 441-880-0320(1) and ORS 86A.236(14) is grounds for the Director to deny, suspend, condition, revoke, or decline to renew the license under ORS 86A.224(1)(a).

ORDERS

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

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

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

b. Respondent shall file an amendment updating any information contained on Respondent's licensing application in NMLS within 30 days of the change of any information.

c. Respondent shall respond within 30 days to any deficiency placed on Respondent's license in the NMLS.

d. Respondent shall not file an application, amendment, renewal request or attestation in NMLS that contains a false statement or a material

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misstatement of fact.

e. Respondent shall demonstrate financial responsibility under the standards set forth in OAR 441-880-0210. This specifically includes that Respondent shall not file or be the subject of any new petition for bankruptcy and must comply will all orders of the bankruptcy court, including making timely payments as directed in the payment plan entered in her Chapter 13 Bankruptcy. Respondent must also not incur any new unpaid judgments or tax liens, fail to pay her obligations such that any three accounts are 90 days or more past due, or have any real property she is in title to subject to foreclosure.

18. If Respondent fails to comply with the conditions of this license, Respondent agrees to notify the Director of the failure to meet the conditions and surrender the license immediately. If Respondent fails to surrender the license within seven days of providing notification to the Director or from the date that the Director 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.

19. The date of this order is the day the Director or the Director's nominee signs the order. The entry of this Order does not in any way limit further remedies which may be available to the Director under Oregon law.

SO ORDERED this 23rd day of January, 2017.

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

/s/ David Tatman
David C. Tatman, Chief of Enforcement
Division of Financial Regulation

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ENTITY CONSENT TO ENTRY OF ORDER

I, Luba Vakulsky, NMLS ID Number 262242, state that I have read the foregoing Order, and I know and fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. I desire to resolve and settle this matter with the Director. I voluntarily, without any force or duress, consent to the entry of this Order, expressly waiving any right to a hearing in this matter. I understand that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Loan Originator Law, and I will fully comply with the terms and conditions stated herein.

I understand that this Consent Order is a public document.

Dated this 18th day of January, 2017.

/s/ Luba Vakulsky
Luba Vakulsky

State of Oregon

County of Clackamas

Subscribed and sworn to before me this 18th day of January, 2017.

/s/ Breanna Baker
Signature of Notary

Breanna Baker
Printed Name of Notary Public
Notary Public for the State of: Oregon

My commission expires: August 14, 2020

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