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

In the Matter of:	Case No. M-19-0056
FIRST AMERICAN HOME LOANS, INC., a Foreign Business Corporation, Respondent.	ORDER TO CEASE AND DESIST, ORDER REINSTATING CIVIL PENALTY, ORDER ASSESSING CIVIL PENALTY, AND CONSENT TO ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), acting in accordance with Oregon Revised Statutes ("ORS") 86A.095 et seq. and Oregon Administrative Rules ("OAR") 441-850-0005 through 441-885-0010 (collectively, "the Oregon Mortgage Lender Law"), conducted an investigation into the activities of First American Home Loans, Inc. ("Respondent") and determined that Respondent engaged in activities constituting violations of the Oregon Mortgage Lender Law.

Respondent, without admitting or denying the Director's findings of fact or conclusions of law, wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the authorized signature subscribed on this Order, Respondent hereby CONSENTS to entry of this Order upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter.

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350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

FINDINGS OF FACT

The Director FINDS that:

1. Respondent is a California corporation with a principal place of business located at 1748 W. Katella Ave., #204, Orange, CA 92867.

2. Respondent's Nationwide Multistate Licensing System ("NMLS") number is

197155.

3. On August 22, 2016, Respondent was issued Oregon mortgage banker/broker license number ML-5454.

4. At all relevant times, Respondent has employed at least one licensed mortgage loan originator.

5. On or around July 9, 2017, the Division of Financial Regulation ("Division") conducted an examination of Respondent. The Division found that Respondent:

A. Failed to ensure that employees engaging in mortgage loan origination held mortgage loan origination licenses, in violation of OAR 441-860-0040(1); and

B. Failed to timely complete criminal records checks for all required employees, in violation of OAR 441-860-0045(1).

6. On February 15, 2018, Respondent and the Director entered into a consent order (the "Consent Order") which concluded that Respondent had failed to ensure that two employees engaging in mortgage loan origination held mortgage loan origination licenses, in violation of OAR 441-860-0040(1).[1]

7. Pursuant to the Consent Order, Respondent was assessed a $5,000 civil penalty. $3,750 of the penalty was suspended for a period of three years provided Respondent paid the remaining penalty and committed no further violations of the Oregon Mortgage Lender Law, excepting OAR Chapter 441, Division 865, within the three-year period.

8. On or around April 8, 2019, the Division conducted a follow-up examination of Respondent and found that Respondent had committed additional violations of the Oregon Mortgage Lender Law.[2]

9. On or around January 6, 2015, Respondent hired Iona Osment ("Osment").

10. On or around October 18, 2017, Osment, acting on Respondent's behalf, offered

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[1] The employees were John Rock and Russell Pigeon. See Division case number M-17-0128.
[2] Respondent earned an improved examination score of "4" on the exam.

or negotiated terms for a loan secured by a mortgage on Oregon property upon which four or fewer dwelling units were planned or situated. At the time, Osment did not hold an Oregon mortgage loan originator's license.[3]

11. On or around November 8, 2018, Respondent hired Raul Millan ("Millan").[4] On November 15, 2018, Millan was issued an Oregon mortgage loan originator's license.

12. On or around November 14, 2016, Respondent hired Rozell Soto ("Soto"). On February 26, 2019, Soto was issued an Oregon mortgage loan originator's license.[5]

13. Respondent failed to complete criminal records checks for Millan and Soto prior to sponsoring their Oregon mortgage loan originator's licenses.

14. Respondent has implemented safeguards to its administrative system to prevent individuals from taking and/or submitting residential loan applications without an appropriate license.

15. Respondent fully cooperated with the Division's investigation of this matter.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

16. A loan secured by a mortgage on four or fewer residential dwelling units is a residential mortgage loan under ORS 86A.200(8).

17. By offering or negotiating terms for an Oregon residential mortgage loans, Osment engaged in business as a mortgage loan originator under ORS 86A.200(4)(a)(B).

18. By failing to ensure that Osment was licensed in Oregon as a mortgage loan originator, Respondent violated OAR 441-860-0040(1).

19. By failing to complete criminal records checks for Millan and Soto prior to sponsoring their Oregon mortgage loan originator's licenses, Respondent violated OAR

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[3] On November 8, 2017, Osment was issued an Oregon mortgage loan originator's license. Osment's NMLS number is 841715. See related Division case number M-19-0074 against Osment.
[4] Millan's NMLS number is 909122.
[5] Soto's NMLS number is 952129.

441-860-0045(1)(a).

20. Because the Director has reason to believe that Respondent has engaged in the foregoing violations of the Oregon Mortgage Lender Law, the Director may issue an order to Respondent to cease and desist from violations of the Oregon Mortgage Lender Law, pursuant to ORS 86A.127(4).

ORDERS

Now therefore, the Director issues the following Orders:

21. As authorized by ORS 86A.127(4), the Director ORDERS Respondent to CEASE AND DESIST from violating OAR 441-860-0040(1) and/or OAR 441-860-0045(1)(a).

22. As authorized by the Consent Order, the Director hereby ORDERS that the $3,750 in suspended CIVIL PENALTIES from case number M-17-0128 be REINSTATED because Respondent violated OAR 441-860-0045(1) within three years from entry of the order.

23. As authorized by ORS 86A.992(1), the Director hereby ORDERS that Respondent be subject to a CIVIL PENALTY of $5,000 as follows:

A. $2,500 for violating OAR 441-860-0040(1); and

B. $2,500 for violating OAR 441-860-0045(1).

24. The Director hereby suspends payment of $4,500 of the CIVIL PENALTY for a period of three years, provided Respondent:

A. Pays the remaining $4,250 of the CIVIL PENALTY pursuant to the terms of this Order; and

B. Does not violate OAR 441-860-0040(1) and/or OAR 441-860-0045(1) within the three-year time period.

25. The non-suspended CIVIL PENALTY ($4,250) is due and payable at the time this Order is submitted to the Director.

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26. The suspended civil penalty ($4,500) will be waived three years from the date this Order is finalized, provided Respondent has complied with the foregoing Order terms. The Director reserves the right to immediately assess and collect the suspended civil penalty upon a determination that Respondent has violated any term of this Order.

27. This Order is binding upon Respondent's successors and assigns.

28. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that provision, the entry of this Order does not limit other remedies that are available to the Director under Oregon law.

SO ORDERED this 18th day of November, 2019.

LOUIS SAVAGE, Acting Director
Department of Consumer and Business Services

/s/ Dorothy Bean
Dorothy Bean Chief of Enforcement
Division of Financial Regulation

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ENTITY CONSENT TO ENTRY OF ORDER

I, Mark Bryan, state that I am an officer of Respondent and authorized to act on its behalf. I have read the foregoing Order and that I know and fully understand the contents hereof. I have been advised of Respondent's right to a hearing and right to be represented by counsel in this matter. Respondent voluntarily consents to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order. Respondent understands that the Director reserves the right to take further actions against it to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Mortgage Lender Law by Respondent. Respondent will fully comply with the terms and conditions stated herein.

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

Signature: /s/ Mark Bryan

Position Held: President

State of California

County of Orange

Signed or attested before me on this 12th day of November, 2019 by Cinthya Vianey Luna Teodoro.

/s/ Cinthya Vianey Luna Teodoro.
Notary Public

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