

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

In the Matter of:

St. Fin Corp dba Star Financial  
NMLS# 1429

Respondent.

M-20-0095  
FINAL ORDERS TO CEASE AND DESIST,  
SUSPENDING MORTGAGE  
BANKER/BROKER LICENSE, AND  
ASSESSING CIVIL PENALTIES, ENTERED  
BY DEFAULT

On May 6, 2021, the Director of the Department of Consumer and Business Services for the State of Oregon (“Director”), acting by and through the Division of Financial Regulation (“Division), and pursuant to Oregon Revised Statutes (“ORS”) 86A.100 et seq. and Oregon Administrative Rules (“OAR”) 441-850-0005 through 441-885-0010 (collectively, the “Oregon Mortgage Lender Law”), issued Administrative Order No. M-20-0095: Order to Cease and Desist, Proposed Orders Suspending Mortgage Banker/Broker License and Assessing Civil Penalties, and Notice of Right to a Hearing (“the Order”) to St. Fin Corp dba Star Financial (“St. Fin Corp”).

On May 6, 2021, the Director mailed a true copy of the Order by regular, first-class mail and by certified mail, postage prepaid addressed to Timothy Matthews of St. Fin Corp at 23330 Mill Creek, Suite 250, Laguna Hills, California 92653 and to St. Fin Corp’s registered agent, Data Research Inc., at 3130 SW Beaverton-Hillsdale Highway, Portland, Oregon 97225. A green card evidencing receipt was signed on or about May 10, 2021, and returned from St. Fin Corp.

The Order offered St. Fin Corp an opportunity for a hearing, if requested in writing within 20 days. The Notice Order further informed St. Fin Corp that if a hearing was not conducted because the party did not timely request a hearing or otherwise defaulted, then the

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1 designated portion of the Division’s file would automatically become part of the contested case  
2 record to prove a *prima facie* case. St. Fin Corp has not made a written request for a contested  
3 hearing, and the time to do so has expired.

4 After considering the relevant portions of the Division’s file in this matter, the Director  
5 finds that the record proves a *prima facie* case.

6 Now, therefore, the Director makes the following Findings of Fact and Conclusions of  
7 Law and issues the following Orders:

8 FINDINGS OF FACT

9 The Director FINDS that:

10 1. St. Fin Corp is a California corporation with a principal place of business located at  
11 23330 Mill Creek, Suite 250, Laguna Hills, California 92653.

12 2. St. Fin Corp received a mortgage banker/broker license from the Oregon Division of  
13 Financial Regulation, formerly known as the Oregon Division of Finance and Corporate  
14 Securities (hereinafter the “Division”) on February 16, 2005.

15 **I. 2014 examination**

16 3. The Division completed an examination of St. Fin Corp in 2014 and found that the loan  
17 file reviewed did not include an interest rate lock/float agreement, and the initial loan application  
18 was not signed by the borrower.

19 4. St. Fin Corp’s privacy policy notice to its borrowers lacked several pieces of required  
20 information.

21 5. The Division previously noted a similar deficiency in St. Fin Corp’s privacy policy notice  
22 during the 2012 examination, and also found that none of the loan files reviewed included an  
23 interest rate lock/float agreement.

24 6. St. Fin Corp produced a criminal records check for its loan originator during the  
25 Division’s 2012 examination but failed to maintain and produce the records check for the 2014  
26 examination.

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1       **II.     2015-2016 examination**

2       7. A follow-up examination was completed in 2015-2016. The borrower did not sign the  
3 initial loan application in one of the loan files reviewed.

4       8. St. Fin Corp's privacy policy notice lacked several pieces of required information.

5       9. Three of the loan files reviewed did not include an interest rate lock/float agreement.

6       10. St. Fin Corp did not complete a criminal records check prior to the hire and sponsorship  
7 of one of its loan originators.

8       11. Two loan originators' personnel ledgers lacked all of the required information.

9       **III.     2019 examination**

10      12. An examination was completed in 2019. In one of the loan files reviewed, neither the  
11 borrower nor the loan originator signed the initial loan application.

12      13. While two of the loan files reviewed included compliant privacy policy notices, one file  
13 did not include a privacy policy and another did not include the updated privacy policy.

14      14. St. Fin Corp failed to complete a compliant criminal records check before hiring and  
15 requesting sponsorship for four of its loan originators.

16      15. During the 2019 examination, St. Fin Corp did not produce a copy of the loan  
17 originator's criminal records check that the Division requested the company update and maintain  
18 following the 2014 examination.

19      16. Three of the loan originators' personnel ledgers were missing required information.

20      17. The filing deadline for the 2018 MCR Standard Financial Condition Report was March  
21 31, 2019, and St. Fin Corp filed the report on May 3, 2019.

22      18. The filing deadline for the 2019 MCR Standard Financial Condition Report was March  
23 31, 2020, and St. Fin Corp filed the report on April 2, 2020.

24      19. The filing deadline for the 2020 first quarter Mortgage Call Report was May 15, 2020,  
25 and St. Fin Corp filed the report on May 18, 2020.

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CONCLUSIONS OF LAW

The Director CONCLUDES that:

20. By failing to prepare and maintain a copy of the initial loan application signed by the borrower on at least three occasions, as noted as noted during the 2014, 2015-2016 and 2019 examinations, St. Fin Corp violated OAR 441-865-0060(1)(a) and ORS 86A.112(1).

21. In the files reviewed during the 2014, 2015-2016, and 2019 examinations, in all files except for two St. Fin Corp failed to utilize a compliant privacy policy notice, in violation of ORS 86A.112(1) and 15 U.S.C. § 6803 (Disclosure of Institution Privacy Policy, Information to be Included).

22. By failing to complete compliant criminal records checks for six of its loan originators prior to hire or requesting sponsorship, as noted during the 2014, 2015-2016 and 2019 examinations, St. Fin Corp violated OAR 441-860-0045(1)(a), ORS 86A.112(1), and ORS 86A.115(12).

23. By failing to maintain and produce a copy of the criminal records check completed for one of its loan originators, as noted during the 2014 and 2019 examinations, St. Fin Corp violated OAR 441-860-0045(3) and ORS 86A.112(1).

24. By failing to include all of the required information in five of its loan originators' personnel ledgers, as noted during the 2015-2016 and 2019 examinations, St. Fin Corp violated OAR 441-865-0050 and ORS 86A.112(1).

25. St. Fin Corp failed to timely file its first quarter 2020 Mortgage Call Report and the 2018 and 2019 Standard Financial Condition Reports in violation of ORS 86A.239(2), ORS 86A.112(2), OAR 441-865-0025.

26. The violations alleged in paragraphs 20 through 25 above each constitute separate grounds to suspend St. Fin Corp's license under ORS 86A.115(12).

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1 ORDERS

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

3 27. The Director, pursuant to ORS 86A.127, hereby ORDERS St. Fin Corp to Cease and  
4 Desist from violating OAR 441-865-0060(1)(a), ORS 86A.115(12), ORS 86A.112, OAR 441-  
5 860-0045, OAR 441-865-0050, ORS 86A.239(2), and OAR 441-865-0025.

6 28. The Director, pursuant to ORS 86A.992, may assess civil penalties of up to \$5,000 per  
7 violation of the Oregon Mortgage Lender Law. Pursuant to this provision, the Director hereby  
8 ORDERS St. Fin Corp to pay a civil penalty of \$10,000 total for the violations of OAR 441-865-  
9 0060(1)(a), ORS 86A.112, OAR 441-860-0045, OAR 441-865-0050, ORS 86A.239(2), and  
10 OAR 441-865-0025.

11 29. The Director, pursuant to ORS 86A.115(12) and ORS 86A.112, hereby ORDERS St. Fin  
12 Corp's Oregon mortgage banker/broker license is suspended for a period of five years from the  
13 date of this order, subject to renewal fee and document requirements.

14 30. This is a "Final Order" under ORS 183.310(6)(b). Subject to this provision, the entry of  
15 this Order does not limit further remedies that may be available to the Director under Oregon  
16 law.

17 Dated this 3rd day of June, 2021.

18  
19 Andrew Stolfi, Director  
20 Department of Consumer and Business Services

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23 /s/ Dorothy Bean  
24 Dorothy Bean, Chief of Enforcement  
25 Division of Financial Regulation

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NOTICE OF RIGHT TO JUDICIAL APPEAL

Except as provided in ORS 86A.142, you may be entitled to judicial review of this Order under ORS 183.482. You may request judicial review by filing a petition with the Court of Appeals in Salem, Oregon, within 60 days from the date this Order is served.

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