STATE OF OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES DIVISION OF FINANCE AND CORPORATE SECURITIES BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

In the Matter of:

M-14-0031

Liberty One Mortgage,

Final Order to Cease and Desist and Order Assessing Civil Penalties Entered by Default

On July 16, 2014, the Director of the Department of Consumer and Business Services for the State of Oregon (the Director), acting pursuant to the authority contained in Oregon statutes regulating mortgage lending, ORS 86A.100 et seq., issued administrative order case No. M-14-0031 Order to Cease and Desist, Proposed Order Assessing Civil Penalties, and Notice of Right to a Hearing Liberty One Mortgage (Liberty).

On July 18, 2014, the Director mailed Flores a true copy of the Order by regular, first-class mail and by certified mail, postage prepaid addressed to Alejandro Flores, 522 6th St. Apt. D, Montebello, CA 90604. Flores signed the Tenant Agreement for Liberty's mailing address and was authorized to accept restricted mail deliveries for Liberty.

On July 21, 2014, Flores signed for the certified mailing card. To date, the regular, first-class mailing has not been returned.

Neither Liberty or Flores has made a written request for a contested case hearing in this matter and the time do so has expired.

FINDINGS OF FACTS

The Director finds that:

1. At all times material to this Order, Liberty Mortgage reported a principal place of business of 11138 Ventura Blvd., Studio City, California 91604.

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- 2. Liberty has never held a license to engage in residential mortgage transactions as a mortgage broker in Oregon.
- 3. On or about June of 2013, Oregon consumers MP and RP were contacted via telephone by Jason Williams, a representative of Liberty, regarding a refinance of the loan for the couple's residential property located in Hillsboro, Oregon.
 - 4. Williams then referred MP to Lisa Jones, another representative of Liberty.
 - 5. Jones sent MP and RP a contract by e-mail.
- 6. MP and RP sent a check to Liberty for \$1,500 in order to obtain the refinance along with the requisite paperwork.
- 7. Liberty then told the consumers that the loan and been approved by the underwriters to pay off MP and RP's first and second mortgages.
- 8. The consumers were next told that their file had been transferred back to Williams because Jones was now out on medical leave.
- 9. Shortly thereafter, communications with Liberty became increasingly difficult and the consumers' calls were sent through multiple phone extensions with little information provided on the status of their refinance.
- 10. The couple did not receive any documentation from Liberty other than the original loan agreement.
 - 11. The couple did not receive a loan and did not receive a refund from Liberty.

CONCLUSIONS OF LAW

The Director concludes that:

- 1. Liberty acted as a "mortgage broker" under ORS 86A.100(5)(a)(C) when Liberty for compensation, or in the expectation of compensation, either directly or indirectly made, negotiated, or offered to make or negotiate a modification to the terms and conditions of a mortgage loan.
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- 2. Liberty engaged in "residential mortgage transactions in this state" under ORS 86A.103(2) by acting as a mortgage broker when Liberty offered to negotiate a modification to the terms and conditions of MP and RP's residential mortgage loan secured by property located in Oregon.
- 3. Liberty violated 86A.103(1) by engaging in residential mortgage transactions in Oregon without first obtaining a license as a mortgage broker under ORS 86A.095 to 86A.198.

ORDER

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDER:

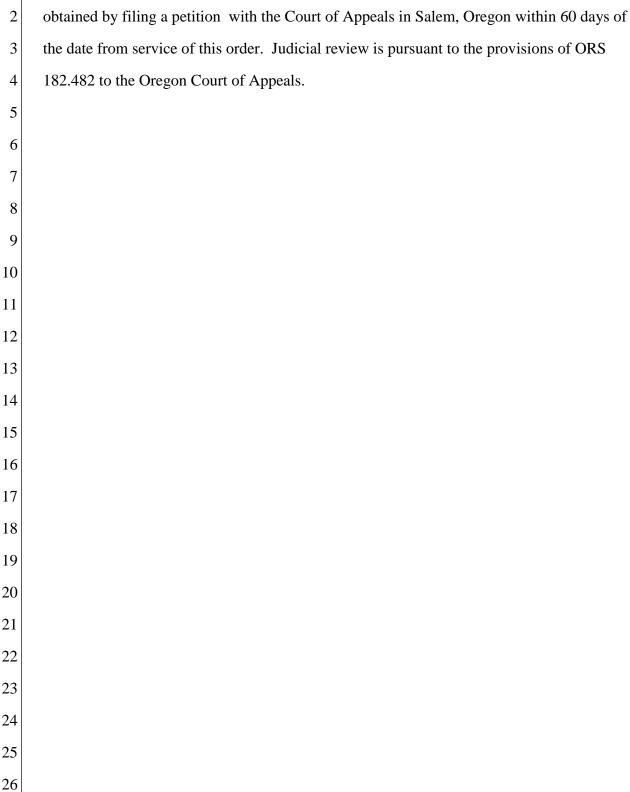
- 1. Pursuant to ORS 86A.127(4) the Director hereby orders Liberty, and all entities owned or controlled by Liberty, to cease and desist from violating the Oregon statutes regulating mortgage lending, ORS 86A.100 et seq.
- 2. Pursuant to ORS 86A.992, the Director may assess a civil penalty in the amount not to exceed \$5,000 per violation against any person who violates or who procures, aids or abets in the violation of any provision of ORS 86A.095 to 86A.198 or any rule or order issued under ORS 86A.124 or 86A.242
- 3. The Director hereby orders Respondent to pay a civil penalty in the amount of \$5,000 for violating ORS 86A.103(1).
- 4. 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.

Dated this 20th day of August, 2014.

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

/s/ David Tatman
David C. Tatman, Administrator

Division of Finance and Corporate Securities





NOTICE: You may be entitled to judicial review of this order. Judicial review may be