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3 **STATE OF OREGON**
4 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**
5 **DIVISION OF FINANCIAL REGULATION**

6 In the Matter of:

M-15-0024

7 Lending You Money, Inc., ML-4284,

**Final Order to Cease and Desist and Final
Order Assessing Civil Penalties Entered on
Default**

8 Respondent.
9

10 On January 14, 2016, the Director of the Department of Consumer and Business
11 Services for the State of Oregon (hereinafter “the Director”), acting pursuant to the authority
12 contained in the Oregon Mortgage Lender Law, Oregon Revised Statutes (“ORS”) 86A.100 *et*
13 *seq.*, and Oregon Administrative Rules (“OAR”) 441-850-0005 through 441-885-0010
14 (hereinafter “the Oregon Mortgage Lender Law”) issued Administrative Order No. M-15-0024,
15 (Order) Order to Cease and Desist, Proposed Order Assessing Civil Penalties and Notice of
16 Right to a Hearing for Lending You Money, Inc. (LYM).

17 On January 20, 2016, a true copy of the Order was mailed by regular, first-class mail and
18 by certified mail postage prepaid addressed to Lending You Money, Inc., 10260 SW Nimbus
19 Ave, Bldg. M6, Beaverton, OR 97223. Both mailings were returned by the U. S. Post Office on
20 January 28, 2016, marked, “Return to Sender, Unable to Forward.”

21 On January 20, 2016, a true copy of the Order was mailed by regular, first-class mail and
22 by certified mail postage prepaid addressed to Greg Lark, the owner of LYM, at the following
23 addresses: 12276 SW 2nd Street, Beaverton, OR 97005; 5905 SW Taralyn Place, Beaverton,
24 OR 97223; and 5755 SW Schiffler Place, Beaverton, OR 97005. The documents sent to 5905
25 SW Taralyn Place, Beaverton, OR were returned by the U. S. Post Office marked “Return to
26 Sender, Unable to Forward.”

Division of Financial Regulations
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 On January 20, 2016, pursuant to ORS 60.121(3), a copy of the Order was mailed by
2 regular, first-class mail and by certified mail postage prepaid addressed Oregon Secretary of
3 State at 255 Capitol Street NE, Salem, Oregon. No written request for hearing has been
4 received by the Division and the time for doing so has now passed.

5 **FINDINGS OF FACTS**

6 The Director finds that:

- 7 1. At all times material to this Order, Lending You Money, Inc. (LYM) reported a
8 principal place of business of 10260 SW Nimbus Ave. Building M6, Portland, Oregon 97223.
- 9 2. At all times material to this order, Gregory Lark (Lark) was the owner and president of
10 LYM. Lark was the loan originator on the two loans that are the subject of this order.
- 11 3. LYM was first registered with the Oregon Secretary of State to conduct business in
12 Oregon on September 18, 2006, and was administratively dissolved on November 20, 2011.
- 13 4. LYM was first licensed to act as a mortgage broker or banker in Oregon on September
14 19, 2006, with ML-4284. The license was canceled on October 12, 2009.
- 15 5. At all times material to this order, consumer CP was an Oregon resident and was party
16 to a home mortgage loan secured by real estate located in Oregon.
- 17 6. At all times material to this order, CP was elderly and suffered from dementia. She
18 passed away in 2010 at the age of 88.
- 19 7. CP was the victim of fraudulent activity committed by her daughter GR. GR was
20 prosecuted and convicted in Clackamas County Oregon for aggravated theft and first- degree
21 criminal mistreatment. The judgment in Clackamas County Case No. CR0801098 was entered
22 on September 8, 2009. Some of the crimes committed by GR against CP are the subject of this
23 order.
- 24 8. GR obtained a questionable power of attorney (POA) from CP and used the POA to
25 obtain two residential loans from LYM. The POA was not fully executed.

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1 9. CP's only source of income during the relevant time period was approximately \$1,250 in
2 Social Security benefits.

3 Molalla Property Loan

4 10. The first loan was a cash-out refinance of CP's home located in Molalla, Oregon. The
5 loan was a No Income No Asset (NINA) loan and was for \$352,000. The stated purpose of the
6 loan was to refinance CP's primary residence, the property located in Molalla.

7 11. Lark, on behalf of LYM, signed the loan application on December 6, 2006. CP signed
8 the loan application but did not date the application. The application indicated that the
9 application was taken by phone.

10 12. The application listed an existing mortgage on the Molalla property from Countrywide
11 Home Loans in the amount of \$67,225 with a monthly payment of \$652.88. The monthly
12 payment for the new loan was \$2,317.99.

13 13. Included in the loan file were underwriting conditions from the lender,
14 Americahomekey, Inc. One of the conditions required the borrower to provide details of the
15 refinancing and acknowledge the increase of the monthly payment from \$652.88 to \$2,318.

16 14. The loan file contained a handwritten note with CP's signature but the body of the note
17 was clearly not written by CP. The note was dated January 9, 2007.

18 15. The note provided that CP would be sharing a home with her daughter and son-in-law
19 because CP's doctor told her she could not live alone anymore. Therefore, CP needed a bigger
20 space to accommodate the increase in her household. The note also stated that CP was aware of
21 the increase in the monthly payments.

22 16. In addition to the note mentioned above, the file contained a typed note dated the next
23 day, January 10, 2007, that stated CP's doctor told her she could no longer live alone and would
24 be moving in with her daughter and son-in-law and renting or selling her Molalla home.

25 17. Lark, on behalf of LYM, submitted documentation to Americahomekey, Inc. stating that
26 the Molalla residence would be occupied by the owner, CP.



1 18. When the Division contacted an Americahomekey, Inc. representative, the
2 representative stated that had they known the home was not to be owner occupied, they would
3 not have made the loan.

4 19. The loan closed on January 17, 2007, for a loan amount of \$352,000 with CP receiving
5 \$279,191.87 in cash back at closing.

6 20. LYM received \$2,640 on the yield spread premium for the loan. The yield spread
7 premium was not disclosed on the Good Faith Estimate (GFE).

8 Sherwood Property Loan

9 21. The second residential loan was for property located in Sherwood, Oregon. The loan file
10 contained a Residential Real Estate Sale Agreement dated December 14, 2006, and signed by
11 GR, POA for CP.

12 22. The purchase price agreement was for \$870,000 and the loan application that Lark took
13 via the telephone was for a loan amount of \$609,000. The date on the loan application was
14 January 7, 2007, and was signed by both Lark and CP.

15 23. The stated purpose for the Sherwood loan was that CP was going to use the property as
16 her primary residence.

17 24. The real estate agreement for the Sherwood property was signed shortly after the
18 application to refinance the Molalla property as the primary residence for CP.

19 25. The underwriting conditions from the lender, MortgageIt, included a provision requiring
20 that the borrower, not the POA, provide a motivational letter to address the reason for the
21 purchase of the Sherwood property.

22 26. CP provided the typed note dated January 10, 2007, signed by CP stating that her doctor
23 told her that she could no longer live alone and that she was moving in with her daughter and
24 son-in-law and would be renting or selling the Molalla property.

25 27. The loan documentation stated that CP's monthly mortgage payment would increase
26 from \$2,334.66 to \$4,025.64.



1 28. The loan closed on January 19, 2007, for a loan amount of \$609,000 and states that the
2 down payment was in the amount of \$260,741.20.

3 29. LYM received \$7,722.12 on the yield spread premium for the loan. The yield spread
4 premium was not disclosed on the Good Faith Estimate (GFE).

5
6 **CONCLUSIONS OF LAW**

7 The Director concludes that:

8 1. LYM acted as a “mortgage broker” under ORS 86A.100(5)(a)(C) when LYM for
9 compensation, or in the expectation of compensation, either directly or indirectly made,
10 negotiated, or offered to make or negotiate a modification to the terms and conditions of a
11 mortgage loan for CP.

12 2. LYM engaged in “residential mortgage transactions in this state” under ORS 86A.103(2)
13 by acting as a mortgage broker when LYM offered to negotiate a modification to the terms and
14 conditions of CP’s residential mortgage loans secured by property located in Oregon.

15 3. By providing false or misleading statements to the lenders concerning the use of the
16 Molalla residence, LYM violated former ORS 59.865(2) and current ORSS 86A.115(2).

17 4. By failing to disclose the yield to spread premium on the two loans, LYM violated
18 former ORS 59.865(2) and current ORS 86A.115(4)(a).

19
20 **ORDERS**

21 **NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:**

22 1. Pursuant to ORS 86A.127(4) and 697.825(1)(a), the Director hereby orders Respondent
23 and all entities owned or controlled by Respondent to cease and desist from violating the
24 Oregon statutes regulating mortgage lending, ORS 86A.100 et seq.

25 2. Pursuant to ORS 86A.992, the Director may assess a civil penalty in the amount of not
26 more than \$5,000 per violation against any person who violates or who procures, aids or abets in



1 the violation of any provision of ORS 86A.095 to 86A.198 or any rule or order issued under
2 ORS 86A.124 or 86A.242.

3 3. The Director orders Respondent to pay \$15,000 in civil penalties as follows:

- 4 a. \$5,000 for one violation of former ORS 59.865(2) and current ORS 86A.115(2);
5 b. \$10,000 (\$5000 per violation) for committing two violations of former ORS
6 59.865(2) and current ORS 86A.115(4)(a).

7 4. The entry of this Order in no way further limits remedies which may be available to the
8 Director under Oregon law.

9 Dated this 19th day of February, 2016.

10
11 PATRICK M. ALLEN, Director
12 Department of Consumer and Business Services

13 /S/ Laura N. Cali
14 Laura N. Cali, Administrator
15 Division of Financial Regulation

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17 NOTICE: You may be entitled to judicial review of this Order. Judicial review may be obtained
18 by filing a petition with the Court of Appeals in Salem, Oregon within 60 days from the service
19 of this Order. Judicial review is pursuant to the provisions of ORS 183.482 to the Oregon Court
20 of Appeals.

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Labor and Industries Building
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