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**BEFORE THE MONTANA DEPARTMENT OF ADMINISTRATION,
DIVISION OF BANKING AND FINANCIAL INSTITUTIONS**

KEYSTONE MORTGAGE COMPANY, a Montana licensed mortgage broker and lender, NMLS #966553 and ANGEL DAVIS-VIREN, a licensed mortgage loan originator, NMLS #271479, Respondents.)))))	Case No. M2018-22 FINAL ORDER
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The Montana Department of Administration, Division of Banking and Financial Institutions (Division), pursuant to the authority granted by the Montana Mortgage Act (Act), Mont. Code Ann. § 32-9-101 et seq., issued a Notice of Proposed Agency Action and Opportunity for Administrative Hearing (Notice) on February 7, 2019. The Department and Respondents executed a Consent Agreement providing for a mutually agreeable disposition of the enforcement action and entry of this Final Order.

FINDINGS OF FACT

- 1. The Division has subject matter and personal jurisdiction over Respondents based on the following facts:
 - a. The Division is the agency charged with licensing, examining, and regulating mortgage brokers, mortgage lenders, mortgage servicers, and mortgage loan originators.
 - b. Keystone Mortgage Company (Respondent Keystone) is licensed as a mortgage broker and mortgage lender in Montana. Its Nationwide Multistate Licensing System (NMLS) number is 966553.
 - c. Angel Davis-Viren (Respondent Davis-Viren) is licensed as a mortgage loan originator. Her NMLS number is 271479. At all times relevant to this action,

1 Respondent Davis-Viren was sponsored by, the owner of, and designated manager of
2 Respondent Keystone.

3 2. Beginning on May 14, 2018, mortgage examiner Yolanda Andrews
4 (Examiner Andrews) conducted an on-site examination of Respondent Keystone.

5 3. Examiner Andrews prepared a Mortgage Broker/Lender Licensee Report of
6 Examination (Report) to summarize the findings from the examination.

7 4. In the Report, Examiner Andrews determined Respondent Keystone
8 violated state laws and regulations when:

9 a. an employee failed to maintain required records, specifically, borrower
10 signed and dated Loan Estimates and Closing Disclosures;

11 b. an employee failed to maintain required records, specifically, an accurate
12 spreadsheet of all residential mortgage applications taken;

13 c. an employee made a misrepresentation or deceptive statement in connection
14 with a residential mortgage loan, when a purchase loan and refinance loan were
15 simultaneously presented to separate lenders by the same mortgage loan originator as
16 primary residences for the same borrowers;

17 d. an employee engaged in prohibited practices, specifically, signing
18 documents on behalf of others;

19 e. it engaged in prohibited practices, specifically, altering documents;

20 f. it engaged in prohibited practices, specifically, reporting false and
21 incomplete financial statements to the NMLS; and

22 g. it provided inaccurate financial statements to Examiner Andrews.

23 5. To the extent Respondent Davis-Viren acted as mortgage loan originator for
24 a specific loan as indicated in the Report, Respondent Davis-Viren shares responsibility
25 with Respondent Keystone for the violations and deficiencies described in paragraph 4
26 above.

27 6. As designated manager for Respondent Keystone, Respondent Davis-Viren
28 is responsible for the actions, deficiencies, and violations of mortgage loan originators and

1 employees employed by Respondent Keystone.

2 **CONCLUSIONS OF LAW**

3 1. The Division has jurisdiction over this matter and over the Respondents.

4 a. Pursuant to Mont. Code Ann. §§ 32-9-102, 32-9-130, and 32-9-133, this
5 administrative tribunal has personal jurisdiction over Respondent Keystone because the
6 Respondent is licensed as a mortgage broker and mortgage lender in this state.

7 b. Pursuant to Mont. Code Ann. §§ 32-9-102, 32-9-130, and 32-9-133, this
8 administrative tribunal has personal jurisdiction over Respondent Davis-Viren because
9 Respondent is licensed as a mortgage loan originator in this state.

10 c. Pursuant to Mont. Code Ann. §§ 32-9-102, 32-9-130, and 32-9-133, the
11 Division has jurisdiction over the subject matter of this action and is authorized to bring
12 this action against the Respondents for violations of the Act.

13 2. Respondent Keystone is licensed as a mortgage broker and mortgage lender
14 in Montana pursuant to Mont. Code Ann. §§ 32-9-102, 32-9-105, 32-9-106, and 32-9-112.

15 3. Respondent Davis-Viren is licensed as a mortgage loan originator pursuant
16 to Mont. Code Ann. §§ 32-9-102, 32-9-105 and 32-9-112. Respondent Davis-Viren is the
17 owner of Respondent Keystone and is appointed the designated manager of Respondent
18 Keystone as provided in Mont. Code Ann. § 32-9-122.

19 4. Under Mont. Code Ann. § 32-9-124(1)(i), a mortgage broker, mortgage
20 lender, mortgage servicer, or mortgage loan originator may not: "fail to comply with this
21 part or rules promulgated under this part or fail to comply with any other state or federal
22 laws, including the rules and regulations adopted pursuant to those laws, applicable to any
23 business authorized by or conducted under [the Act]." Respondents actions described in
24 the Fact Assertions violated Mont. Code Ann. § 32-9-124(1)(i) because Respondents were
25 not in compliance with state and federal law.

26 5. "Licensees shall maintain books, accounts, records, and copies of residential
27 mortgage loan files and escrow account records that are necessary to enable the [Division]
28 to determine whether a licensee is in compliance with the applicable laws and rules. The

1 materials must be maintained in accordance with generally accepted accounting principles
2 and good business practices." Mont. Code Ann. § 32-9-121(1).

3 6. "A mortgage broker shall create and retain a residential mortgage file. The
4 residential mortgage file shall contain: . . . copies of the loan estimate and closing
5 disclosures required by the Truth in Lending Act – Real Estate Settlement Practices Act
6 (TILA-RESPA) Integrated Disclosure (TRID) rule, which must be signed and dated by the
7 borrowers." Admin. R. Mont. 2.59.1710(1)(c).

8 7. Respondent Keystone and the Respondent mortgage loan originators
9 indicated in the Notice violated Mont. Code Ann. § 32-9-121(1) and Admin. R. Mont.
10 2.59.1710(1)(c) by failing to maintain required records, specifically, Loan Estimates
11 signed and dated by the borrower(s).

12 8. "A mortgage broker shall maintain a spreadsheet of all residential mortgage
13 applications taken, including all applications that are pending, closed, withdrawn, denied,
14 or cancelled." Admin. R. Mont. 2.59.1710(2).

15 9. As described in the Notice, by omitting material and including erroneous
16 information in the spreadsheet of residential mortgage applications taken, Respondent
17 Keystone violated Admin. R. Mont. 2.59.1710(2).

18 10. "A mortgage broker, mortgage lender, mortgage servicer, or mortgage loan
19 originator may not . . . directly or indirectly employ any scheme to defraud or mislead a
20 borrower, a mortgage broker, a mortgage lender, a mortgage servicer, or any other person."
21 Mont. Code Ann. § 32-9-124(1)(b).

22 11. A "scheme to defraud or mislead a borrower, a lender, or any other person"
23 includes but is not limited to:

24 a. "misstating a borrower's income, assets, obligations, employment status,
25 credit history, or financial resources, or the borrower's equity in the dwelling which secures
26 repayment of the loan to a lender," Admin. R. Mont. 2.59.1717(1)(a); and

27 b. "stating to a lender, or more than one lender, that a borrower intends to use
28 more than one property as a primary residence," Admin. R. Mont. 2.59.1717(1)(b).

1 12. Respondent Keystone and Respondent Osborne violated Mont. Code Ann. §
2 32-9-124(1)(b) and Admin. R. Mont. 2.59.1717(1) when a purchase loan and refinance
3 loan were simultaneously presented to separate lenders as primary residences for the same
4 borrowers as described in the Notice.

5 13. "A mortgage broker, mortgage lender, mortgage servicer, or mortgage loan
6 originator may not . . . sign a borrower's application or related documents on behalf of or in
7 lieu of another mortgage broker, mortgage lender, or mortgage loan originator." Mont.
8 Code Ann. § 32-9-124(1)(f).

9 14. As indicated in the Notice, a loan processor employed by Respondent
10 Keystone acknowledged using mortgage loan originators' signature stamps on documents
11 the mortgage loan originators did not sign. Respondent Keystone violated Mont. Code
12 Ann. § 32-9-124(1)(f) by allowing this to occur.

13 15. "A mortgage broker, mortgage lender, mortgage servicer, or mortgage loan
14 originator may not . . . knowingly withhold, abstract, remove, mutilate, destroy, alter, or
15 keep secret any books, records, computer records, or other information from the
16 [Division]." Mont. Code Ann. § 32-9-124(1)(l).

17 16. "The word 'alter' as used in 32-9-124(1)(l), MCA, means that loan
18 documents may not be revised by: (a) using correction fluid, correction tape, or any other
19 means of changing or covering over a date or signature not on the original; (b) inserting a
20 signature or date not on the original; or (c) making any other change to a document."
21 Admin. R. Mont. 2.59.1755(1).

22 17. Respondent Keystone and the Respondent mortgage loan originators are
23 responsible for violating Mont. Code Ann. § 32-9-124(1)(l) to the extent documents were
24 altered by Keystone employees as described in the Notice.

25 18. "A mortgage broker, mortgage lender, mortgage servicer, or mortgage loan
26 originator may not . . . negligently make any false statement or knowingly and willfully
27 make any omission of material fact in connection with any information or reports filed
28 with a government agency or the NMLS or in connection with any investigation conducted

1 by the [Division] or another governmental agency." Mont. Code Ann. § 32-9-124(1)(m).

2 19. Respondent Keystone provided false and incomplete financial statements in
3 reports to the NMLS in violation of Mont. Code Ann. § 32-9-124(1)(m) as described in the
4 Notice.

5 20. "All licensees shall maintain and preserve financial records concerning
6 business operations, transactions with customers, and escrow account transactions."
7 Admin. R. Mont. 2.59.1724(1).

8 21. Under Admin. R. Mont. 2.59.1724(3)(c), a mortgage lender is required to
9 create and maintain "a general ledger and subsidiary records sufficient to produce, when
10 requested by the [Division], an accurate monthly statement of assets and liabilities, and a
11 cumulative profit and loss statement for the current operating year."

12 22. Because the balance sheet and profit and loss statements Respondent
13 Keystone provided to Examiner Andrews contained inaccuracies and omissions as
14 described in the Notice, Respondent Keystone is in violation of Admin. R. Mont.
15 2.59.1724(1) and 2.59.1724(3).

16 23. "A mortgage broker or mortgage lender is responsible for the conduct of its
17 employees, including for violations of federal or state laws, rules, or regulations." Mont.
18 Code Ann. § 32-9-122(5). Respondent Keystone is responsible for the conduct of its
19 employees, including the mortgage loan originators, as identified in the Examination
20 Report.

21 24. As the designated manager for Respondent Keystone, Respondent Davis-
22 Viren is responsible for the actions, deficiencies, and violations of all mortgage loan
23 originators and employees employed by Respondent Keystone. Mont. Code Ann. § 32-9-
24 122(4), (6).

25 25. "Any person who directly or indirectly controls an entity liable under
26 [Mont. Code Ann. § 32-9-133(1)], any partner, officer, director, or person occupying a
27 similar status or performing similar functions of the entity, and any person who
28 participates or materially aids in the violation is liable jointly and severally with and to the

1 same extent as the person committing the violation. In addition, each person committing
2 the violation or aiding in the violation is jointly and severally liable if the person
3 committing the violation or aiding in the violation knew or in the exercise of reasonable
4 care should have known of the existence of the facts by reason of which the liability is
5 alleged to exist. There must be contribution between or among the severally liable
6 persons." Mont. Code Ann. § 32-9-133(3).

7 26. "The [Division], upon giving a mortgage broker, mortgage lender, mortgage
8 servicer, or mortgage loan originator licensee 14 days' written notice, which includes a
9 statement of the grounds for the proposed suspension, conditioning, or revocation, and
10 informing the licensee that the licensee has the right to be heard at an administrative
11 hearing if requested by the licensee, may suspend, condition, or revoke a license if it finds
12 that the licensee has violated any provision of this part [(Montana Code Annotated Title
13 32, chapter 9, part 1)] or any rule adopted under this part." Mont. Code Ann. § 32-9-
14 126(1).

15 27. The Division may issue an order "revoking, conditioning, or suspending the
16 right of the person or licensee, directly or through an officer, agent, employee, or
17 representative, to do business in this state as a licensee or to engage in the mortgage
18 broker, mortgage lender, mortgage servicer, or mortgage loan origination business." Mont.
19 Code Ann. § 32-9-133(2)(c).

20 **ORDER**

21 Based on the Consent Agreement and the foregoing Findings of Fact and
22 Conclusions of Law:

23 1. Respondents shall comply with the terms of the Consent Agreement and
24 this Final Order.

25 2. Respondent Keystone shall surrender its mortgage broker and mortgage
26 lender licenses.

27 3. Respondent Davis-Viren shall surrender her mortgage loan originator
28 license.

1 4. Respondents shall, as of the date of this Final Order, cease all further
2 marketing and advertising activity related to the business of a mortgage broker, mortgage
3 lender, or mortgage loan originator.

4 5. Respondents shall provide the Division a list of all loan applications in
5 process within ten days of the date of this Final Order. The list shall include the applicant's
6 name, contact information, and the date of application. Respondents agree to provide the
7 Division regular updates regarding the status of each loan application, and Respondents
8 shall report to the Division the final disposition of each loan application or loan within ten
9 days.

10 6. Respondents shall notify each mortgage loan applicant identified on the list
11 described in paragraph 5 of this Final Order that Respondents will no longer engage in the
12 business of a mortgage broker, mortgage lender, and mortgage loan originator within 90
13 days or as of the date Respondents' licenses are surrendered. Respondents shall provide
14 such notice to applicants within ten days of the date of this Final Order, and Respondents
15 shall provide the Division copies of the notices within ten days of the date when the notice
16 was sent.

17 7. As of the date of this Final Order, Respondents shall not accept any new
18 mortgage loan applications or otherwise initiate loan origination on any application that
19 was received after the date of entry of the Final Order.

20 8. Except as otherwise provided in paragraph 9 of this Final Order,
21 Respondents shall not engage in the business of a mortgage broker, mortgage lender,
22 mortgage servicer, or mortgage loan originator.


23 9. Upon entry of this Final Order, the terms and conditions described in
24 paragraphs 4-8 shall apply and shall restrict Respondents' licenses. Respondents shall
25 complete processing and origination of all loan applications that were received prior to
26 entry of this Final Order within 90 days.

27 10. Respondents shall surrender their licenses upon the earlier of: a) completion
28 of application processing and loan origination activity for all applications received prior to

1 entry of the Final Order; or b) the ninety-first day following the date of entry of the Final
2 Order.

3 11. Respondents shall not apply to reinstate their licenses and shall not apply
4 for any new license to be issued by the Division within five years of the date of entry of
5 this Final Order.

6 SO ORDERED this 4th day of September, 2019.

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9 MELANIE G. HALL, Commissioner
10 Division of Banking and Financial Institutions

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CERTIFICATE OF SERVICE

I hereby certify that on the September 4, 2019, the undersigned caused a true and accurate copy of the foregoing Final Order including Exhibit A to be U.S. Mail, first class, postage prepaid and addressed to:

Eric Nord
CRIST, KROGH & NORD, PLLC
2708 First Avenue North, Suite 300
Billings, MT 59101
Counsel for Keystone Mortgage Company, Angel Davis-Viren, and Holly Dickey

Belinda Osborne

[Redacted signature block]

Heather Hardman, Paralegal

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**BEFORE THE MONTANA DEPARTMENT OF ADMINISTRATION,
DIVISION OF BANKING AND FINANCIAL INSTITUTIONS**

KEYSTONE MORTGAGE COMPANY, a Montana licensed mortgage broker and lender, NMLS #966553 and ANGEL DAVIS-VIREN, a licensed mortgage loan originator, NMLS #271479,)	Case No. M2018-22
)	CONSENT AGREEMENT
Respondents.)	

The Montana Division of Banking and Financial Institutions (Division) pursuant to the authority granted by the Montana Mortgage Act (Act), Mont. Code Ann. § 32-9-101 et seq., issued a Notice of Violation, Proposed Agency Action, and Opportunity for Administrative Hearing (Notice) on February 7, 2019, which was duly served upon KEYSTONE MORTGAGE COMPANY (Respondent Keystone) and ANGEL DAVIS-VIREN (Respondent Davis-Viren) pursuant to Mont. Code Ann. § 32-9-128. Respondents acknowledge having read and understood the Notice and the Final Order proposed by the Division. Respondents deem entry of the Final Order and settlement of this matter to be in Respondents' best interests.

1. Respondent Keystone admits the Findings of Fact set forth in the Final Order, acknowledges its acts/omissions violated the statutes and rules set forth in the Conclusions of Law, and agrees to entry of the Final Order.

2. Respondent Keystone agrees to surrender its Montana mortgage lender and mortgage broker license.

3. Respondent Davis-Viren admits the Findings of Fact set forth in the Final Order, acknowledges her respective acts/omissions violated the statutes and rules set forth in the Conclusions of Law, and agrees to entry of the Final Order.

1 4. Respondent Davis-Viren agrees to surrender her Montana mortgage loan
2 originator license.

3 5. The Findings of Fact, Conclusions of Law, and Order set forth in the Final
4 Order are correct, not in violation of constitutional or statutory provisions, not in excess of
5 the Division's authority, not made upon unlawful procedure, not affected by other error of
6 law, not clearly erroneous in view of the evidence, and not arbitrary and capricious or
7 characterized by abuse of discretion or clearly unwarranted exercise of discretion.

8 6. Respondents agree to comply with the terms of this Consent Agreement and
9 the Final Order.

10 7. Respondents agree to dismiss the contested case proceedings regarding
11 Respondents' licenses.

12 8. Respondents expressly waive their right to an administrative hearing,
13 judicial review, and appeal, and agree to settlement of this enforcement action on the terms
14 and conditions set out herein.

15 9. Respondents acknowledge that no inducement has been offered by the
16 Division or any employee, agent or representative thereof to cause Respondents to enter
17 into this Consent Agreement and it does so voluntarily and without reservation.

18 10. Respondents acknowledge this Consent Agreement is subject to the
19 approval of the Commissioner of Banking and Financial Institutions or other authorized
20 designee in a Final Order.

21 11. The parties agree to bear their own costs and attorneys' fees associated with
22 this enforcement action.

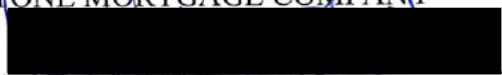
23 12. The terms of the Consent Agreement and Final Order shall be legally
24 binding upon Respondents, its officers, owners, directors, employees, heirs, successors,
25 and assigns.

26 13. Respondents acknowledge this action is a public document which will be
27 included the Final Order books in the Division's office and posted on the NMLS under
28 Regulatory Actions viewable by regulators only. The action will not be reflected in the

1 NMLS under consumer access license history search.


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KEYSTONE MORTGAGE COMPANY

By: 
Respondent's Authorized Officer/Agent
Angel Davis-
Printed Name Viren *owner*
Title


9/4/19
Date

ANGEL DAVIS-VIREN

By: 
Angel Davis-Viren
Printed Name Angel Davis-
Viren

9/4/19
Date

DIVISION OF BANKING AND FINANCIAL INSTITUTIONS

By: 
Don E. Harris, Legal Counsel

09/04/19
Date