

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER**

**CASE NO. C-17-0108**

**ORDER NO. C-17-0108-17-OR01**

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ARKANSAS SECURITIES DEPT.

**IN THE MATTER OF:**

**AURORA FINANCIAL GROUP, INC.**

**RESPONDENT**

**CONSENT ORDER**

This Consent Order (“Order”) is entered pursuant to the Arkansas Fair Mortgage Lending Act (“FMLA”), codified at Ark. Code Ann. §§ 23-39-501 through 23-39-518, the Rules of the Arkansas Fair Mortgage Lending Act (“Rules”) promulgated under the FMLA, and the Arkansas Administrative Procedure Act, codified at Ark. Code Ann. §§ 25-15-101 through 25-15-219, in accordance with an agreement between the staff of the Arkansas Securities Department (“Staff”) and Aurora Financial Group, Inc. (“Aurora”), in full and final settlement of all claims that could be brought against Aurora on the basis of the facts set forth herein.

Aurora admits the jurisdiction of the FMLA and the Arkansas Securities Commissioner (“Commissioner”), waives its right to formal hearing and appeal, and agrees to the entry of this Order and to abide by its terms.

**FINDINGS OF FACT**

1. Aurora (NMLS No. 7096) is a New Jersey corporation having its principal place of business at 301 Harper Drive, Suite 110 Moorestown, New Jersey, 08057. Aurora has never been licensed with the Arkansas Securities Department (“Department”) to conduct any mortgage loan activity in Arkansas.

2. Aurora has been operating as an unlicensed mortgage servicer in Arkansas by holding master servicing rights on 169 residential mortgage loans in Arkansas. Aurora first purchased master servicing rights on residential mortgage loans in Arkansas in October of 2015. Master servicing is defined by NMLS policy as “directly or indirectly holding the rights to

service mortgage loans, but not actually conducting the servicing activities associated with the loans.”

### **CONCLUSIONS OF LAW**

3. A “mortgage servicer” is a person that receives or has the right to receive from or on behalf of a borrower funds or credits in payment for a mortgage loan, or the taxes or insurance associated with a mortgage loan. Ark. Code Ann. § 23-39-502(17).

4. A “person” includes a corporation under Ark. Code Ann. § 23-39-502(19).

5. It is unlawful for any person located in Arkansas other than an exempt person to act or attempt to act, directly or indirectly, as a mortgage servicer without first obtaining a license from the Commissioner under the FMLA. Ark. Code. Ann. § 23-39-503(b).

6. By holding master servicing rights on residential loans in Arkansas, Aurora acted as a mortgage servicer without first obtaining a license from the Commissioner under the FMLA in violation of Ark. Code Ann. § 23-39-503(b).

7. Ark. Code Ann. § 23-39-514(l) states that the disciplinary authority under Ark. Code Ann. § 23-39-514 of the FMLA does not prohibit or restrict the informal disposition of a proceeding or allegations that might give rise to a proceeding by settlement or consent in lieu of a formal or informal hearing.

### **OPINION**

8. This Order is in the public interest. The facts set out in paragraphs one and two support the violations of the FMLA described in paragraphs three through seven.

### **ORDER**

By agreement and with consent of the Staff and Aurora, it is hereby ordered that to the extent not already done so, Aurora shall apply for a mortgage servicer license under the FMLA,

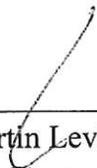
and maintain the license until such time as Aurora no longer conducts mortgage servicing activities requiring licensure under the FMLA. It is further ordered that Aurora shall pay a fine in the amount of \$5,000.00 to the Department upon entry of this Order. Nothing in this Order shall affect the validity or enforceability of any mortgage loan serviced by Aurora during the period covered herein.

WITNESS MY HAND AND SEAL on this 2<sup>nd</sup> day of ~~October~~ <sup>Nov,</sup>, 2017.



B. Edmond Waters  
Arkansas Securities Commissioner

I hereby agree to the entry of this Consent Order, and consent to all terms, conditions, and orders contained therein, and waive any right to an appeal from this Order.

  
\_\_\_\_\_  
Martin Levine  
President  
Aurora Financial Group, Inc.

10/25/17  
\_\_\_\_\_  
Date

Approved as to Content and Form:

  
\_\_\_\_\_  
Aislinn Andrews  
Staff Attorney  
Arkansas Securities Department

11/2/17  
\_\_\_\_\_  
Date