

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER  
CASE NO. C-11-0285  
ORDER NO. C-11-0285-11-OR02**

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ARKANSAS SECURITIES DEPT.

**IN THE MATTER OF:  
VANDERBILT MORTGAGE AND FINANCE, INC.  
NMLS&R NO. 1561**

**RESPONDENT**

**CONSENT ORDER**

This Consent 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”) and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-101 through 25-15-219, in accordance with an agreement by and between the Staff of the Arkansas Securities Department (“Staff”) and the Respondent, Vanderbilt Mortgage and Finance, Inc. (“Vanderbilt”), in resolution of a routine licensing examination, and in full and final settlement of all claims that could be brought against Vanderbilt by the Staff on the basis of the facts set forth herein.

Vanderbilt admits the jurisdiction of the FMLA and the Arkansas Securities Commissioner (“Commissioner”), waives its right to a formal hearing and appeal, and admits the findings of fact made herein, consents to the entry of this Order, and agrees to abide by its terms.

**FINDINGS OF FACT**

From the pleadings, documentary evidence, and all other matters properly before the Commissioner, the Commissioner does make the following findings of fact:

1. Vanderbilt is a corporation organized and operating under the laws of the State of Tennessee. Vanderbilt is licensed under the FMLA as a mortgage broker, banker and servicer, NMLS&R number 1561.

2. The Staff has determined that between August 2009 and June 2010, Vanderbilt employed 24 individuals as loan officers, and these loan officers solicited and accepted 90 mortgage loan applications from Arkansas residents without being licensed under the FMLA.

3. Vanderbilt fully cooperated with the Staff during the Staff's examination of Vanderbilt's operations. In addition, Vanderbilt has assured the Staff that it has instituted significant internal controls and supervisory changes in order to ensure that the above detailed violations will not occur in the future. Vanderbilt has also assured the Staff that the changes to its internal controls and supervision of its employees was instituted by Vanderbilt prior to the start of the Staff's examination.

**Legal Authority and Conclusions of Law**

4. Ark. Code Ann. § 23-39-503(c) states that it is unlawful for any person other than an exempt person to employ, to compensate, or appoint as its agent any person to act as a loan officer unless the loan officer is licensed as a loan officer under the Arkansas FMLA. The unlicensed mortgage loan officer activity by 24 employees of Vanderbilt as detailed in paragraph two constitutes 90 violations of Ark. Code Ann. § 23-39-503(c) by Vanderbilt.

5. Ark. Code Ann. §§ 23-39-514(b)(1) and (2) states that the Commissioner by order may impose a civil penalty that shall not exceed \$10,000.00 for each violation by a mortgage broker upon a licensee or any partner, officer, director, member, manager, or other person occupying a similar status or performing a similar function on behalf of a licensee for any violation of the FMLA. The acts and violations of the FMLA and the Rules by Vanderbilt, as detailed in paragraph two, warrant the entry of appropriate civil penalty against Vanderbilt.

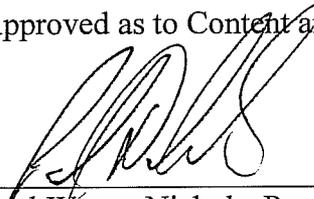
**ORDER**

By agreement and with the consent of the Staff and the duly authorized representative of Vanderbilt it is hereby ordered that Vanderbilt shall be responsible for the payment of a civil penalty in the amount of \$27,000.00 to the Arkansas Securities Department within ten days of the entry of this Consent Order.

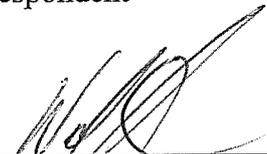
  
\_\_\_\_\_  
A. Heath Abshure  
Arkansas Securities Commissioner

10-4-2011  
\_\_\_\_\_  
Date

Approved as to Content and Form:

  
\_\_\_\_\_  
Paul Wayne Nichols, President  
Vanderbilt Mortgage and Finance, Inc.  
The Respondent

10-3-11  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Wade Hulsey, Attorney for the Respondent  
Vanderbilt Mortgage and Finance, Inc.

10-3-11  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Scott Freydl, Staff Attorney  
Arkansas Securities Department

10/4/11  
\_\_\_\_\_  
Date