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BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE

OF THE STATE OF IDAHO

STATE OF IDAHO, DEPARTMENT OF
FINANCE, CONSUMER FINANCE
BUREAU,

Complainant,

vs.

AFFORDABLE LOANS, LLC dba
AFFORDABLE TITLE LOANS,

Respondent.

Docket No. 2015-6-02

CONSENT ORDER

The Director of the Idaho Department of Finance (Director) has conducted a review of the Idaho regulated lending activities of AFFORDABLE LOANS, LLC dba AFFORDABLE TITLE LOANS (Respondent). Pursuant to said review, the Director alleges that Respondent has violated provisions of the Idaho Credit Code, Idaho Code § 28-41-101 *et seq.* (ICC). The Director and Respondent have agreed to resolve this matter through this Consent Order rather than through a formal administrative proceeding or civil action. Therefore, the Director deems it

appropriate and in the public interest that this Consent Order be entered. Respondent voluntarily consents to the entry of this Consent Order.

FACTS

1. Respondent is a Utah Limited Liability Company formed on September 8, 2005, that conducts business as a regulated lender by utilizing titled property as collateral. Respondent was licensed by the Department from March 8, 2013, to May 31, 2015, authorizing Respondent to engage in the regulated lending business in Idaho during that time. It held the following license numbers: RRL 8719, RRL 8773, RRL 8774, RRL 9135, RRL 9048, and RRL 8890. These licenses were automatically terminated on May 31, 2015, because Respondent failed to renew them as required under the ICC, specifically Idaho Code § 28-46-302(8).

2. According to the Certificate of Authority filed with the Idaho Secretary of State on July 17, 2014, Respondent's principal address is 7225 South 700 West, Midvale, Utah 84047. Respondent conducts business in Idaho from the following addresses:

- 6803 Fairview Ave, Boise, Idaho 83706
- 3401 Chinden Boulevard, Garden City, Idaho 83714
- 4110 West State St., Boise, Idaho 83703
- 256 Blue Lakes North, Twin Falls, Idaho 83301
- 416 Caldwell Boulevard, Nampa, Idaho 83605

3. As indicated on the Annual Report Form filed with the Idaho Secretary of State on July 29, 2015, Stevan Vasic is Respondent's sole member and owner.

4. Respondent maintains a website, www.affordabletitleloans.com, which provides information such as rates and qualifying terms about the loan product that Respondent offers. The website also lists the locations and phone numbers of Respondent's five Idaho branches.

5. On June 8, 2015, a Department staff member sent a Notice of License Expiration to Respondent. The letter was mailed to Respondent's principle address as indicated above. The

letter informed Respondent that its license was automatically terminated on May 31, 2015, due to its failure to file a completed renewal form, composite annual report, and the required documentation. The letter also stated that Respondent was prohibited from engaging in regulated lending or servicing activities in Idaho until its license was reinstated and included the procedure to be followed for a reinstatement.

6. On July 27, 2015, the Department received a 2015 Annual Renewal Form for Idaho Licensed Regulated Lenders from Respondent. The reviewing Department examiner discovered on the form that Respondent's main office was listed as 3592 S Redwood Road, West Valley, Utah, 84119, which is a different principal address than what was previously filed with the Department.

7. On that same day, the examiner called and spoke with Respondent's representative who submitted the form to the Department. During that telephone conversation, it was revealed to the examiner that Respondent's previous principal address had been closed in May 2015, which was the reason for the address change. The ICC requires that a licensed regulated lender provide the Director with fifteen (15) days' notice before it makes any changes to the location of its places of business or closes any of its locations. Idaho Code § 28-46-302(5).

8. During that same conversation with Respondent's representative on July 27, 2015, it was also revealed that Steven Vasic, who originally held only a 1/3 interest in Respondent according to previous filings with the Department, had obtained a 100% ownership in the company in May 2015 when the other two owners left. Idaho Code § 28-46-302(1) provides that all license applications "...shall be updated as necessary to keep the information current..." which includes changes in ownership.

9. Upon further review of Respondent's renewal form and its accompanying documents, which included Respondent's bank statements, the examiner discovered that Respondent's ending bank balances were at \$0.00 for the months of January and February 2015. Idaho Code § 28-46-302(1)(b) states that the Director may deny a license application if the lender "does not maintain at least thirty thousand dollars (\$30,000) in liquid assets, as determined in accordance with general accepted accounting principles, available for the purpose of making loans under this chapter".

10. On July 29, 2015, Respondent's owner, Stevan Vasic, sent an email to the Department's examiner acknowledging that they had communicated the day before and that "Erika" would be following up with the examiner to "hopefully get everything handled asap". The Department's examiner did not receive any further communication from Respondent.

11. On or about October 30, 2015, two Department investigators visited three of Respondent's branches in the Boise metro area to ascertain if unlicensed regulated lending was occurring at those locations. Each of the three branches was open to the public and each provided the Department's investigators with a loan application and loan quote.

12. On or about November 3, 2015, the two Department investigators visited two more of Respondent's branches, one in Twin Falls, Idaho and one in Nampa, Idaho to again ascertain whether or not Respondent was engaged in unlicensed regulated lending activities. Each of those locations was open to the public and provided the investigators with loan applications and loan quotes.

13. The examiners' branch visits, as well as a review of Respondent's website, uncovered that Respondent was involved in unlicensed regulated lending activity in violation of the ICC.

14. On November 25, 2015, the Department issued a Notice of Intent to Issue Order to Cease and Desist and Notice of Right to Hearing (the Notice) regarding Respondent's unlicensed regulated lending activity.

15. Since the date that the Notice was issued, Respondent has submitted a license application through the online Nationwide Multistate Licensing System & Registry (NMLS). Respondent's license application is now materially complete and qualifies to be placed in an "approved-deficient" temporary license approval status pending the receipt of some additional required license items.

16. On February 11, 2016, in response to the Department's request as part of its licensing application review, Respondent submitted to the Department a pipeline report, which indicated the total number of unlicensed regulated loans that Respondent extended for the time period of June 1, 2015, through February 10, 2016.

17. The pipeline report revealed that Respondent extended at least 783 unlicensed regulated loans for the above-referenced time period.

CONCLUSIONS OF LAW AND VIOLATIONS

18. The allegations set forth in paragraphs 1 through 17 above are fully incorporated herein by this reference.

19. Idaho Code § 28-46-301(1) provides in relevant part that:

...[u]nless a person is exempt under federal law or under this section or has first obtained a license from the administrator authorizing him to make regulated consumer loans, he shall not engage in the business of:

- (a) Making regulated consumer loans; or
- (b) Taking assignments of and undertaking direct collection of payments from or enforcement of rights against debtors arising from regulated consumer loans.

20. Respondent's acts of extending at least 783 regulated consumer loans in Idaho while not licensed under the Act, constitute violations of Idaho Code § 28-46-301(1). Each loan constitutes a separate violation.

REMEDIES

21. Respondent admits the allegations contained in this Consent Order.

22. The Respondent agrees to pay to the Department the sum of five thousand dollars (\$5,000) as an administrative penalty, pursuant to Idaho Code § 28-46-113, in settlement of the violations contained herein, by March 4, 2016.

23. The Respondent agrees to comply with all provisions of the Idaho Credit Code, rules promulgated thereunder, and relevant federal law and regulations at all times in the future.

24. The Department agrees not to seek further penalties or fees from the Respondent for the violations addressed in this Consent Order, other than as set forth in paragraph 22 above, if the Respondent timely and fully complies with all provisions of this Consent Order.

25. The Respondent acknowledges and understands that this Consent Order is an administrative action that must be disclosed to the Department on future licensing and renewal forms. The disclosure requirements of other states may also require disclosure of the same.

26. The Respondent acknowledges and understands that should the Department learn of additional violations by the Respondent of the ICC or applicable federal laws and regulations relating to the Respondent's regulated lending activities in Idaho, the Department may pursue further legal action and seek additional remedies.

27. Upon execution and the payment of the penalty set for the in paragraph 22, the Department will place Respondent's license application in an "approved-deficient" temporary license approval status pending the receipt of the additional required license items that are listed

on Respondent's NMLS account. These additional items must be received by the Department no later than March 11, 2016.

DATED this 29th day of FEB, 2016.

AFFORDABLE LOANS, LLC dba
AFFORDABLE TITLE LOANS

By: 
Stevan Vasick, Owner

DATED this 29th day of FEBRUARY, 2016.

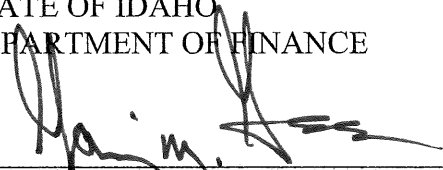
STATE OF IDAHO
DEPARTMENT OF FINANCE


MICHAEL LARSEN
Consumer Finance Bureau Chief

IT IS SO ORDERED.

DATED this 29th day of FEBRUARY, 2016.

STATE OF IDAHO
DEPARTMENT OF FINANCE


GAVIN M. GEE, Director



CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 1st day of March, 2016, I caused a true and correct copy of the foregoing CONSENT ORDER to be served on the following by the designated means:

Stevan Vasic, Owner
Affordable Loans LLC, dba
Affordable Title Loans
7225 South 700 West
Midvale, UT 84047

- U.S. mail, postage prepaid
- Certified mail
- Facsimile:
- Email: stevanthegreat@gmail.com
- Email:affordableloansllc@gmail.com

Stevan Vasic, Owner
Affordable Loans LLC, dba
Affordable Title Loans
3592 S Redwood Rd
West Valley, UT 84119

- U.S. mail, postage prepaid
- Certified mail
- Facsimile:
- Email: erika.affordableloans@gmail.com
- Email: