

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of:

Case No. M-16-0318

CROSSCOUNTRY MORTGAGE INC.,
NMLS 3029

ORDER TO CEASE AND DESIST,
ASSESSING CIVIL PENALTY AND
CONSENT TO ENTRY OF ORDER

Respondent.

The Director of the Department of Consumer and Business Services for the State of Oregon (“Director”), acting pursuant to the authority contained in Oregon Revised Statutes (“ORS”) 86A.100 et seq. and Oregon Administrative Rules (“OAR”) 441-850-0005 through 441-885-0010 (“Oregon Mortgage Lender Law”) and having reviewed the activities of CROSSCOUNTRY MORTGAGE INC. (“Respondent”), hereby issues the following Findings of Fact, Conclusions of Law, Proposed Order, and Notice of Opportunity for a Hearing.

Respondent wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the signature(s) subscribed on this Order, Respondent hereby CONSENTS to entry of this Order.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent is a foreign corporation first registered in Oregon on September 19, 2007.
2. Respondent obtained an Oregon mortgage banker/broker license from the Division of Finance and Corporate Securities (“Division”) on December 6, 2007,

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



1 Nationwide Mortgage Licensing System (“NMLS”) # 3029.

2 3. Respondent’s principle place of business is located at 6850 Miller Road,
3 Brecksville, OH 44141.

4 4. On December 16, 2015, the Division sent a questionnaire and request of items
5 to Respondent for an examination. The third bullet point under question number 2 states
6 “Personnel files on employees/independent contractors, to include personnel ledger &
7 criminal records check and sample loan originator compensation agreement for
8 individuals who conduct, or are authorized to conduct, Oregon business.”

9 5. On April 12, 2016, while the exam was ongoing, criminal record checks were
10 provided for eight mortgage loan originators. The examination report was completed and
11 signed on April 14, 2016.

12 6. Respondent did not provide criminal record checks for fifteen mortgage loan
13 originators during the examination. Although Respondent provided the criminal record
14 checks for these fifteen mortgage loan originators in previous examinations, it is required
15 that the criminal record checks be provided to the Division at any time. The criminal
16 record checks for these fifteen individuals were provided at the same time that
17 Respondent provided a response to the examination report dated May 12, 2016.

18 7. A review following the examination revealed that since 2014, Respondent was
19 delayed in completing five criminal records checks on loan originators.

20
21 **CONCLUSIONS OF LAW**

22 The Director CONCLUDES that:

23 8. Respondent did not complete criminal records checks before the hire or date
24 of the request for Oregon licensing sponsorship of five loan originators as required by
25 OAR 441-860-0045(1)-(2) and ORS 86A.186.

26 9. OAR 441-860-0045(3) requires that State criminal records check documents



1 received by the mortgage banker or mortgage broker be maintained in a secure location
2 separate from personnel records, and be made available to the director for examination at
3 any reasonable time and may require, without subpoena, the production of such records at
4 the office of the director as often as is reasonably necessary. These records shall be
5 preserved for three years after the mortgage banker or mortgage broker terminates the
6 mortgage loan originator's employment.

7 10. Under ORS 86A.124(1), the Director may examine at any time mortgage
8 bankers and mortgage brokers and the records and activities connected with mortgage
9 bankers, mortgage brokers and mortgage loan originators.

10 11. Respondent did not provide the criminal records check documents for all
11 mortgage loan originators as requested by the Director during the exam that began on
12 December 16, 2015 and concluded April 14, 2016 as required by OAR 441-860-0045(3)
13 and ORS 86A.124(1).

14 12. The Director, pursuant to ORS 86A.992, may assess civil penalties of up to
15 \$5,000 *per violation* of the Oregon Mortgage Lender Law.

16 ORDERS

17 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

18 13. As authorized by ORS 86A.127, the Director Orders Respondent to CEASE
19 AND DESIST from violating any provision of the Oregon Mortgage Lender Law or the
20 administrative rules promulgated thereunder.

21 14. Pursuant to ORS 86A.992, the Director hereby orders Respondent to pay
22 \$5,000 for the deficiency under OAR 441-860-0045(1)-(3), ORS 86A.124(1) and ORS
23 86A.186.

24 15. The CIVIL PENALTY assessed herein is due and payable at the time this
25 Order is returned to the Division.
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SO ORDERED this 6th day of February, 2017.

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

/s/ David Tatman
David C. Tatman, Chief of Enforcement
Division of Financial Regulation

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ENTITY CONSENT TO ENTRY OF ORDER

I, Ronald J. Leonhardt, state that I am an officer of CROSSCOUNTRY MORTGAGE INC. and I am authorized to act on its behalf. I have read the foregoing order, and I know and fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. CROSSCOUNTRY MORTGAGE INC. voluntarily and without any force or duress consents to the entry of this order expressly waiving any right to a hearing in this matter. CROSSCOUNTRY MORTGAGE INC. understands that the Director reserves the right to take further actions to enforce this order or to take appropriate action upon discovery of other deficiencies under violations of the Oregon Mortgage Lender Law. CROSSCOUNTRY MORTGAGE INC. will fully comply with the terms and conditions stated herein. CROSSCOUNTRY MORTGAGE INC. understands that this order is a public document.

CROSSCOUNTRY MORTGAGE INC.

/s/ Ronald J. Leonhardt
Signature

State of Ohio
County of Cuyahoga

There appeared before me on this 25th day of January, 2017,

Ronald J. Leonhardt who was first duly sworn on oath,

and stated that s/he was and is an officer of CROSSCOUNTRY MORTGAGE INC. and that s/he is authorized and empowered to sign this Consent to Entry of Order on behalf of CROSSCOUNTRY MORTGAGE INC. and to bind CROSSCOUNTRY MORTGAGE INC. to the terms hereof.

/s/ Alex J. Ragon
Notary Public

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