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2 **STATE OF OREGON**
3 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**
4 **DIVISION OF FINANCE AND CORPORATE SECURITIES**
5 **MORTGAGE LENDING SECTION**

6
7 **BEFORE THE DIRECTOR OF THE DEPARTMENT**
8 **OF CONSUMER AND BUSINESS SERVICES**

9 **In the Matter of:**

10 **Washington National Home**
11 **Mortgage LLC,**

12 **Respondent.**

13 **M-11-0012**

14 **ORDER TO CEASE AND DESIST,**
15 **ORDER TO PAY EXAMINATION**
16 **EXPENSES, AND**
17 **CONSENT TO ENTRY OF ORDER**

18 **WHEREAS** the Director of the Department of Consumer and Business Services for the
19 State of Oregon (hereinafter “the Director”) conducted an investigation of Washington National
20 Home Mortgage LLC and determined that Washington National Home Mortgage LLC engaged
21 in activities constituting violations of 86A.100 et seq. (hereinafter cited as the “Oregon Mortgage
22 Lender Law”); and

23 **WHEREAS** Washington National Home Mortgage LLC wishes to resolve and settle this
24 matter with the Director,

25 **NOW THEREFORE**, as evidenced by the authorized signature subscribed on this order,
26 Washington National Home Mortgage LLC hereby **CONSENTS** to entry of this order upon the
27 Director’s Findings of Fact and Conclusions of Law as stated hereinafter:

28 **FINDINGS OF FACT**

29 The Director **FINDS** that:

30 1. Washington National Home Mortgage LLC (hereinafter “WNHM”) is a Washington
31 limited liability company first registered on February 3, 2009. The company is located at 6707
32 Perry Avenue SE, Auburn, Washington, 98092.

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





1 2. WNHM first became licensed to engage in Oregon residential mortgage transactions on
2 February 3, 2009.

3 3. The Director's records list Jerry Potter as a fifty-one percent owner, President, and
4 Experienced Person. Christina Potter owns the remaining forty-nine percent and is the Vice
5 President.

6 4. Jerry Potter was also a loan originator for the company between February 3, 2009 and
7 August 1, 2010. He became licensed as a loan originator for the company on January 3, 2011
8 and remains licensed as of the date of this order.

9 5. On August 31, 2010, an examiner employed by the Division of Finance and Corporate
10 Securities (hereinafter "the Division") completed an on-site examination of the books and
11 records of WNHM. WNHM received a poor score of 5 out of a possible 5, with 5 being the
12 worst.

13 6. The examination revealed, among other things, that WNHM failed to produce a personnel
14 file for Jerry Potter.

15 7. WNHM also failed to provide education certificates demonstrating that Jerry Potter
16 completed the required education.

17 8. WNHM also failed to produce a criminal records check for Jerry Potter.

18 9. WNHM had only completed one loan since the previous examination, so the examiner
19 reviewed the one loan file to find it did not contain an interest rate lock or float agreement.

20 10. The file also did not contain a copy of the consumer's credit report.

21 11. The fee for the on-site examination and preparation of the exam report owed by WNHM
22 totaled \$187.50.

23 12. On or about September 9, 2010, the Division sent a report detailing the examination
24 findings (hereinafter "examination report") with a cover letter requiring a response within two
25 weeks along with an invoice for payment of the examination fees. No response was received.

26 13. On October 14, 2010, an office specialist from the Mortgage Lending section of the



1 Division sent an e-mail to the company's e-mail address requesting a response to the
2 examination report within two weeks of the date of the e-mail.

3 14. Because no response was received, on November 1, 2010, the manager for the Mortgage
4 Lending section of the Division sent an e-mail to the company's contact e-mail address
5 containing a copy of the examination report and demanding a response to the report within two
6 weeks of the e-mail.

7 15. Because no examination response was received, on January 25, 2011, the Division sent a
8 letter to WNHM warning that the response to the examination report was due and gave the
9 company until February 25, 2011 to file the response.

10 16. Also on January 25, 2011, the Division sent WNHM a demand letter for payment of the
11 \$187.50 in outstanding examination fees.

12 17. On February 1, 2011, the Division received payment of \$187.50 for the examination fees,
13 but did not receive a response to the examination report.

14 18. As of March 22, 2011, WNHM had not filed a response to the examination report first
15 sent on September 9, 2010.

16 19. On or about March 30, 2011, the Division issued an Order Suspending Mortgage Broker
17 License, Order to Pay Examination Expenses, and Notice of Right to a Hearing.

18 20. On or about June 9, 2011, WNHM submitted a satisfactory response to the examination
19 report.

20 21. Division employees spent one hour of examiner time and two hours of enforcement time
21 following the issuance of the examination report working to complete the examination.

22 CONCLUSIONS OF LAW

23 The Director **CONCLUDES** that:

24 1. By failing to respond to the Division's examination report following numerous requests,
25 WNHM violated ORS 86A.115(11), previously ORS 59.865(11), which constitutes grounds for
26 the Director to suspend or revoke the Oregon mortgage broker license of WNHM.



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Dated this 11th day of August 2011

Scott L. Harra, Acting Director
Department of Consumer and Business Services
/s/ David C. Tatman
David C. Tatman, Administrator
Division of Finance and Corporate Securities

ENTITY CONSENT TO ENTRY OF ORDER

I, Jerry Potter, state that I am an officer of Respondent WNNHM, and I am authorized to act on its behalf. I have read the foregoing Order and that I know and fully understand contents hereof and this entity have been advised of the right to a hearing and of the right to be represented by counsel in this matter. Respondent voluntarily and without any force or duress, consents to the entry of this Order expressly waiving any right to a hearing in this matter. Respondent understands that the Director reserves the right to take further action to enforce this Order or to take appropriate action upon discover of other violations of the Oregon Mortgage Lender Law; and that Respondent will fully comply with the terms and conditions stated herein. Respondent further assures the Director that neither Respondent, nor its officers, directors, employees or agents will effect mortgage transactions in Oregon unless such activities are in full compliance with the Oregon Mortgage Lender Law.

WNNHM understands that this Consent Order is a public document.

Dated this 21st day of July 2011

By Jerry Potter
President
(Office held)

ENTITY ACKNOWLEDGMENT

There appeared before me this 21st day of July 2011 who was first duly sworn on oath, and stated that he was and is an officer of Respondent and that he is authorized and empowered

1 to sign this Consent to Entry of Order on behalf of Respondent, and to bind Respondent to the
2 terms hereof.

3 Jessica M. Twilley

4 Notary Public

5 My commission expires: February 6, 2012

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