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**STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
DIVISION OF FINANCE AND CORPORATE SECURITIES  
BEFORE THE DIRECTOR OF THE DEPARTMENT  
OF CONSUMER AND BUSINESS SERVICES**

In the Matter of:  
  
NW Mortgage Modification Consultants, LLC  
and Rick Alvarado;  
  
Respondents.

**DM-12-0042**  
  
**Order to Cease and Desist, Order Assessing  
Civil Penalties, and Consent to Entry of  
Order**

**WHEREAS** the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter “the Director”) conducted an investigation of NW Mortgage Modification Consultants, LLC (hereinafter “NWMMC”) and Rick Alvarado (hereinafter “Alvarado”) and determined that NWMMC and Alvarado engaged in activities constituting violations of ORS 86A.100 et seq. and OAR 441-850-0005 through 441-885-0010 (hereinafter collectively cited as the “Oregon Mortgage Lender Law”) and the Oregon statutes regulating debt management service providers, ORS 697.602 through ORS 697.842; and

**WHEREAS** NWMMC and Alvarado wish to resolve and settle this matter with the Director,

**NOW THEREFORE**, as evidenced by the authorized signatures subscribed on this order, NWMMC and Alvarado hereby **CONSENT** to entry of this order upon the Director’s Findings of Fact and Conclusions of Law as stated hereinafter:

///

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 **FINDINGS OF FACTS**

2 The Director FINDS that:

3 1. At all times material to this order, NWMMC was an Oregon limited liability company  
4 with a principal place of business located at 847 Saginaw Street S, Salem, Oregon 97302 and  
5 previously at 4354 Commercial Street SE, Salem, Oregon 97302.

6 2. The Oregon Secretary of State’s records list Alvarado as the manager and registered  
7 agent of NWMMC. NWMMC is currently listed as an inactive entity.

8 3. Neither NWMMC nor Alvarado has ever held a license to engage in residential mortgage  
9 transactions as a mortgage broker in Oregon, and neither has ever been registered to provide debt  
10 management services in Oregon.

11 4. At all times material to this order, consumers “BC,” “PA,” “LC,” “MC,” “CG,” “JM,”  
12 “FA,” “MA,” and “RR” (hereinafter “Oregon Consumers”) were Oregon residents each party to a  
13 home mortgage loan secured by real estate located in Oregon.

14 5. Between the time period of January 2009 and February 2012, NWMMC and/or  
15 Alvarado offered, for a fee, to negotiate a modification of Oregon Consumers’ residential  
16 mortgage loans with Oregon Consumers’ lenders including, but not limited to, a reduction in the  
17 principal, interest, penalties or fees associated with the loan.

18 6. **BC.** Around January 2009, BC paid NWMMC and Alvarado \$1,400 to provide  
19 loan modification services, and the agreement for loan modification services continued until  
20 June 2011.

21 7. Alvarado reported that BC qualified for a trial modification that was not to BC’s liking, so  
22 Alvarado issued a \$450 refund to BC by check dated June 27, 2011.

23 8. **PA.** From the time period of February 2009 through October 2009, PA paid NWMMC and  
24 Alvarado a total of \$2,000 to provide loan modification services, and the agreement for loan  
25 modification services continued until February 2011.

26 9. PA reported that she began communicating with her lender on her own behalf, in and





1 February 2011, she received an offer for a loan modification.

2 10. The Division requested and reviewed this transaction file from the lender, Wells  
3 Fargo, and the file reflects a significant amount of correspondence and documentation from  
4 Alvarado/NWMMC to Wells Fargo in pursuit of a loan modification for PA.

5 11. **LC.** LC heard Alvarado's radio advertisement offering loan modification  
6 services and in April 2009 paid Alvarado \$1,700 to provide loan modification services.

7 12. The agreement for loan modification services continued through October 2010.

8 13. Alvarado reported that LC was offered a trial loan modification but not a permanent  
9 modification from his lender, and Alvarado issued a refund of \$850 to LC by check dated October  
10 5, 2010.

11 14. **MC.** From February 2009 through March 2010, MC paid NWMMC and Alvarado a total  
12 of \$2,050 to provide loan modification services.

13 15. Alvarado responded that MC was offered a loan modification but did not submit the  
14 necessary paperwork that a relative was reportedly going to submit on MC's behalf.

15 16. **CG.** Around January 2009, CG paid NWMMC and Alvarado \$3,495 to provide loan  
16 modification services, and the agreement for loan modification services continued until  
17 approximately August 2011.

18 17. Alvarado issued a refund of \$2,100 to CG by checks dated April 14, 2011, March 15,  
19 2011 and August 2, 2011.

20 18. CG reported that she began communicating with her lender on her own behalf, and in and  
21 April 2012, she received an offer for a loan modification.

22 19. The Division requested and reviewed this transaction file from the lender, Citi, and  
23 the file reflects a significant amount of correspondence and documentation from  
24 Alvarado/NWMMC to Citi in pursuit of a loan modification for CG.

25 20. **MA.** Around September 2009, MA heard a radio advertisement for NWMMC offering  
26 loan modification services, and MA contacted Alvarado.



1 21. MA paid \$1,650 to NWMMC to provide loan modification services, and the agreement for  
2 loan modification services continued through July 2010.

3 22. Alvarado reported that MA was offered a loan modification, but she felt the terms were not  
4 acceptable, and Alvarado issued a refund \$800 to MA by check dated July 30, 2010.

5 23. **RR.** Around June 2011, RR paid \$1,309 to NWMMC to provide loan modification  
6 services.

7 24. **JM.** Around June 2011, JM paid Alvarado \$750 to provide loan modification services  
8 including an initial fee of more than \$50.

9 25. JM did not receive a loan modification or a refund.

10 26. **FA.** From February 2012 through March 2012, FA paid Alvarado a total of \$850 to  
11 provide loan modification services, including an initial fee of \$425.

12 27. FA did not receive a loan modification, and Alvarado issued a \$277 refund to FA by check  
13 dated September 20, 2012.

14 28. FA reported that Alvarado stated he would provide the rest of the refund, and Alvarado  
15 reported that he had incorrect contact information for FA, so he could not provide the remainder of  
16 the refund.

## 17 **CONCLUSIONS OF LAW**

18 The Director **CONCLUDES** that:

19 1. NWMMC and Alvarado acted as a “mortgage broker” under ORS 86A.100(5)(a)(C)  
20 when NWMMC and Alvarado, for compensation or in the expectation of compensation, either  
21 directly or indirectly made, negotiated, or offered to make or negotiate a modification to the  
22 terms and conditions of Oregon Consumers’ residential mortgage loans.

23 2. NWMMC and Alvarado engaged in “residential mortgage transactions in this state”  
24 under ORS 86A.103(2) by acting as a mortgage broker when NWMMC and Alvarado offered to  
25 negotiate a modification to the terms and conditions of the Oregon Consumers’ residential  
26 mortgage loans secured by property located in Oregon.



1 3. NWMMC and Alvarado violated ORS 86A.103(1) by engaging in residential mortgage  
2 transactions in Oregon without first obtaining a mortgage broker license under ORS 86A.095 to  
3 86A.198.

4 4. NWMMC and Alvarado received money or other valuable consideration or expected to  
5 receive money or other valuable consideration for obtaining, or attempting to obtain as an  
6 intermediary on the Oregon Consumers' behalf, a concession from a creditor, including but not  
7 limited to, a reduction in the principal, interest, penalties or fees associated with the debt under  
8 ORS 697.602(2)(d) in violation of ORS 697.612(1)(a).

9 5. NWMMC and Alvarado violated ORS 697.692 by charging an initial fee of more than \$50  
10 for loan modification services from JM and FA.

11 **ORDER**

12 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDER:

13 Pursuant to ORS 86A.127(4) and ORS 697.825(1)(a), the Director hereby ORDERS  
14 NWMMC and Alvarado, and all entities owned or controlled by NWMMC and Alvarado, to  
15 cease and desist from violating the Oregon Mortgage Lender Law and the Oregon statutes  
16 regulating debt management service providers, ORS 697.602 to ORS 697.842.

17 Pursuant to ORS 86A.992, the Director may assess a civil penalty in the amount of not  
18 more than \$5,000 per violation against any person who violates or who procures, aids or abets in  
19 the violation of any provision of ORS 86A.095 to ORS 86A.198 or any rule or order issued  
20 under ORS 86A.124 or ORS 86A.242. Pursuant to the authority of ORS 697.832, the Director  
21 may assess a CIVIL PENALTY in an amount of not more than \$5,000 per violation against any  
22 person who violates ORS 697.612 or ORS 697.642 to ORS 697.702, rules adopted under ORS  
23 697.632, or any order issued under ORS 697.825.

24 Pursuant to ORS 86A.224(3)(a) and ORS 697.832, the Director hereby ORDERS  
25 NWMMC and Alvarado to pay a CIVIL PENALTY, jointly and severally, in the amount of  
26 \$9,000 for the violations of ORS 86A.103(1) (unlicensed mortgage broker)/ORS 697.612



1 (unregistered debt management service provider) and ORS 697.692 (debt management service  
2 provider unlawful fees).

3 The Director suspends payment of \$6,000 of the \$9,000 civil penalty for a period of  
4 five years, so long as NWMMC and Alvarado make full timely restitution and civil penalty  
5 payments as provided by the terms of this order, and so long as NWMMC and Alvarado do not  
6 violate any provision of the Oregon Mortgage Lender Law or the Oregon statutes regulating debt  
7 management services.

8 NWMMC and Alvarado agree to refund \$750 total to JM and \$573 total to FA to be paid  
9 in monthly installments of \$50 to JM and \$50 to FA. The first payment is to be received by FA  
10 and JM on or before the close of business on Tuesday, December 31, 2013. The next payment  
11 of \$50 must be received by FA and JM on or before the last day of the month starting in  
12 February 2014 and continuing until the total balance is paid. Alvarado will make the payments  
13 to JM and FA by check mailed to the contact information the Division provides to Alvarado by  
14 email.

15 When the total owing to JM and FA has been paid, NWMMC and Alvarado will start  
16 making monthly payments of \$100 toward the \$3,000 non-suspended civil penalty to the  
17 Division to be received on or before the last day of the month until the total balance is paid.

18 If NWMMC and Alvarado make full timely restitution and civil penalty payments, do  
19 not violate the Oregon Mortgage Lender Law, the Oregon statutes regulating debt management  
20 service providers, or the terms of this order, in five years from the date of the order, the  
21 suspended portion of the civil penalty will be waived.

22 The entry of this Order in no way further limits remedies that may be available to the  
23 Director under Oregon law.

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1 Dated this 13th day of January, 2014.

2  
3 PATRICK M. ALLEN, Director  
Department of Consumer and Business Services

4  
5 /s/ David Tatman  
David C. Tatman, Administrator  
6 Division of Finance and Corporate Securities

7 **ENTITY CONSENT TO ENTRY OF ORDER**

8 I, Rick Alvarado, state that I am an officer of NWMMC, and I am authorized to act on  
9 its behalf. I have read the foregoing order and that I know and fully understand the contents  
10 hereof. I have been advised of the right to a hearing and of the right to be represented by  
11 counsel in this matter. NWMMC voluntarily and without any force or duress consents to the  
12 entry of this order expressly waiving any right to a hearing in this matter. NWMMC  
13 understands that the Director reserves the right to take further actions to enforce this order or to  
14 take appropriate action upon discovery of other violations of the Oregon Mortgage Lender Law  
15 an the Oregon statutes regulating debt management service providers, and that NWMMC will  
16 fully comply with the terms and conditions stated herein.

17 NWMMC further assures the Director that neither NWMMC, nor its officers, directors,  
18 employees, or agents will effect mortgage transactions in Oregon unless such activities are in  
19 full compliance with the Oregon Mortgage Lender Law and the Oregon statutes regulating debt  
20 management service providers. NWMMC and Alvarado understand that this Consent Order is  
21 a public document.

22  
23 Dated this 23 day of December, 2013.

24 By /s/ Rick Alvarado

25 Owner  
26 Office Held



1 **ENTITY ACKNOWLEDGMENT**

2 There appeared before me this 23rd day of December 2013,  
3 Rick Alvarado, who was first duly sworn on oath, and stated that he was an officer of  
4 NWMMC and that she is authorized and empowered to sign this Consent to Entry of Order on  
5 behalf of NWMMC and to bind NWMMC to the terms hereof.

6 /s/ Michael J. Couch  
7 Notary Public for the State of: Oregon  
8 My commission expires: September 14, 2017.

8 **CONSENT TO ENTRY OF ORDER**

9 I, Rick Alvarado, state that I have read the foregoing order, and I know and fully  
10 understand the contents hereof. I have been advised of the right to a hearing and of the right to  
11 be represented by counsel in this matter, and I desire to resolve and settle this matter with the  
12 Director. I voluntarily, without any force or duress, consent to the entry of this order, expressly  
13 waiving any right to a hearing in this matter. I understand that the Director reserves the right to  
14 take further actions to enforce this order or to take appropriate action upon discovery of other  
15 violations of the Oregon Mortgage Lender Law and the Oregon statutes regulating debt  
16 management service providers, and I will fully comply with the terms and conditions stated  
17 herein.

18 I understand that this consent order is a public document.

19 Dated this 23rd day of December, 2013.

20 By /s/ Rick Alvarado