

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
MORTGAGE LENDING SECTION

BEFORE THE DIRECTOR OF THE DEPARTMENT
OF CONSUMER AND BUSINESS SERVICES

In the Matter of:

Richard Cochran

Respondent.

M-15-0034

FINAL 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 Richard Cochran (hereinafter “Cochran”) and determined that Cochran violated certain provisions of ORS 86A.100 et seq. and OAR 441-850-0005 through 441-885-0010 (hereinafter cited as the “Oregon Mortgage Lender Law”); and

WHEREAS Cochran wishes to resolve and settle this matter with the Director,

NOW THEREFORE, as evidenced by the authorized signature subscribed on this order, Cochran hereby CONSENTS to entry of this order upon the Director’s Findings of Fact and Conclusions of Law as stated hereinafter.

I. FINDINGS OF FACT

The Director FINDS that:

1. Cochran was registered as a loan originator with the Oregon Division of Finance and Corporate Securities (hereinafter “Division”) for Oregon licensed mortgage broker Columbia Funding Group Inc. from June 2001 through March 2006 and Pathfinders Mortgage Inc. from March 2006 through April 2009.

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. Since April 2009, Cochran has not been authorized to act as a loan originator for an
- 2 Oregon licensed mortgage broker.
- 3 3. Cochran has never held an Oregon mortgage broker license.
- 4 4. The Division received a complaint from an Oregon resident (hereinafter "B.G.")
- 5 reporting that there were several problems with a 2010 mortgage transaction related to the sale of
- 6 his residence where Cochran acted as the loan originator.
- 7 5. On March 29, 2010, B.G. received an offer to purchase his residence. The offer was
- 8 included a preapproval letter that the potential buyer had received for a mortgage loan from
- 9 Cochran reportedly on behalf of Banks Capital Corporation (hereinafter "Banks Capital").
- 10 6. The preapproval letter was on Banks Capital letterhead.
- 11 7. The transaction for the purchase of B.G.'s existing residence was originally supposed to
- 12 close in May 2010, but Cochran reported that the closing date kept changing for various reasons
- 13 and assured B.G. that he would find a lender to approve the loan.
- 14 8. Based upon Cochran's representation that he would find a lender for the loan, B.G.
- 15 accepted the offer to purchase his residence and, in turn, B.G. put down earnest money to
- 16 purchase a new home.
- 17 9. On June 30, 2010, since the loan for B.G.'s existing residence had not been approved,
- 18 B.G.'s was unable to purchase his new home causing B.G. to lose the earnest money he had put
- 19 down on the new home and tax credits.
- 20 10. Upon receiving B.G.'s complaint, the Division contacted Banks Capital.
- 21 11. Banks Capital has held an Oregon mortgage broker license since September 1998.
- 22 12. Banks Capital's president responded that he spoke to Cochran several years ago about the
- 23 possibility of working for his company as a loan originator, but Cochran never worked for the
- 24 company in any capacity.
- 25 13. Banks Capital never had a file of any kind relating to the purchase of B.G.'s residence.



1 14. Cochran acknowledged that he should not have created the letterhead and the preapproval
2 letter using Banks Capital's name without the company's consent. He said he understood he had
3 an open offer of employment from Banks Capital and was experiencing significant health
4 problems.

5 15. Cochran also admitted that he discussed loan terms with the borrower and contacted
6 lenders on the borrower's behalf to discuss preapproval but did not submit the loan to a lender
7 for approval.

8 II. CONCLUSIONS OF LAW

9 The Director CONCLUDES that:

10 1. By communicating with lenders on the borrower's behalf to discuss preapproval for a
11 loan to purchase B.G.'s residence and by discussing loan terms with the borrower, Cochran
12 engaged in residential mortgage transactions under ORS 86A.103(2).

13 2. By engaging in residential mortgage transactions when he was not licensed as a mortgage
14 broker or employed as a loan originator by a licensed mortgage broker, Cochran violated ORS
15 86A.103(1).

16 3. By creating a Banks Capital letterhead and drafting and issuing a preapproval letter on
17 behalf of the company to a borrower when he did not have consent from Banks Capital to do so,
18 Cochran knowingly made a material misstatement in connection with the conduct of a mortgage
19 broker in violation of ORS 86A.154(2).

20 4. By assuring B.G. and the borrower that he would find a lender to approve the loan to
21 purchase B.G.'s residence when he never submitted the loan to a lender for review, Cochran
22 knowingly made a material misstatement or omission in connection with the conduct of a
23 mortgage broker in violation of ORS 86A.154(2).

24 ORDER

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



1 The Director, pursuant to ORS 86A.127(4), hereby orders Cochran to cease and desist
2 from violating the Oregon Mortgage Lender Law.

3 Cochran agrees not to apply for a license as an Oregon loan originator or mortgage
4 broker or engage in any activity that requires an Oregon loan originator or mortgage broker
5 license from the Director.

6 Cochran agrees not to own or act as a partner, officer, director, experienced person or
7 branch manger or occupy a position of similar status or perform similar functions of an owner,
8 partner, officer, director, experienced person or branch manager for a residential Oregon
9 mortgage broker.

10 The Director, pursuant to ORS 59.996 (currently ORS 86A.992), may assess civil
11 penalties of up to \$5,000 per violation of the Oregon Mortgage Lender Law. The Director,
12 pursuant to ORS 86A.992, hereby ORDERS Cochran to pay a civil penalty of \$15,000 for the
13 violation of ORS 86A.103 and two violations of ORS 86A.154(2).

14 The Director suspends the civil penalty provided that Cochran does not violate the
15 Oregon Mortgage Lender Law or the terms of this order.

16 The entry of this Order in no way limits further remedies which may be available to the
17 Director under Oregon law.

18 Dated this 13th day of November, 2015.

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

21
22 /s/ David Tatman
23 David C. Tatman, Administrator
24 Division of Finance and Corporate Securities

25 CONSENT TO ENTRY OF ORDER

1 I, Richard Cochran, state that I have read the foregoing order, and I know and fully
2 understand the contents hereof. I have been advised of the right to a hearing and of the right to
3 be represented by counsel in this matter, and I desire to resolve and settle this matter with the
4 Director. I voluntarily, without any force or duress, consent to the entry of this order, expressly
5 waiving any right to a hearing in this matter. I understand that the Director reserves the right to
6 take further actions to enforce this order or to take appropriate action upon discovery of other
7 violations of the Oregon Mortgage Lender Law, and I will fully comply with the terms and
8 conditions stated herein.

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

10 Dated this 5th day of November, 2015.

11 By /s/ Richard Cochran
12 Richard Cochran

13 Notary Public for the State of: Oregon

14 Signed or attested before me on: November 5, 2015

15 My commission expires: August 26, 2019

16 Signature of Notary Public: /s/ RRKadan

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