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

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| In the Matter of:<br><br>CASCADE NORTHERN MORTGAGE INC,<br><br>Respondent. | Case No. M-19-0029<br><br>ORDER TO CEASE AND DESIST, FINAL ORDER ASSESSING CIVIL PENALTIES, AND CONSENT TO ENTRY OF ORDER |

The Director of the Department of Consumer and Business Services for the State of Oregon ("Director") conducted an examination of CASCADE NORTHERN MORTGAGE INC ("Cascade") and determined that Cascade engaged in activities constituting a violation of Oregon Revised Statutes ("ORS") 86A.095 et seq. and Oregon Administrative Rules 441-850-0005 through 441-885-0010 (collectively, "Oregon Mortgage Lender Law").

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

Now, therefore, as evidenced by the authorized signature subscribed on this Order, Cascade hereby CONSENTS to entry of this Order upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter.

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

## FINDINGS OF FACT

The Director FINDS that:

1. Cascade, NMLS Company ID Number 106650, had been licensed as an Oregon mortgage broker since June 27, 2000.

2. On September 5, 2018, the Division of Financial Regulation ("Division") conducted an examination on Cascade.

3. Paul Ferschweiler ("Ferschweiler") has been employed with Cascade since June 2003 and was not licensed as a mortgage loan originator ("MLO") in Oregon until February 19, 2019.

4. During an examination by the Division in 2015, it was discovered that Cascade had allowed Ferschweiler to be listed as a MLO on three loans. Cascade was warned to not allow Ferschweiler to act as a MLO unless he is licensed to do so.

5. Ferschweiler was listed as the MLO on a mortgage application dated July 23, 2018 for a property located in Mount Angel, Oregon. The loan was not finalized.

## CONCLUSIONS OF LAW

The Director CONCLUDES that:

6. Under ORS 86A.127(4), whenever the Director has reasonable cause to believe that any person has been engaged or is engaging or is about to engage in any violation of the Oregon Mortgage Lender Law, the Director may issue an order to that person to cease and desist from such violation or threatened violation. An examination of Cascade revealed multiple violations of the Oregon Mortgage Lender Law.

7. No mortgage broker shall allow a MLO to originate residential mortgage loans for the mortgage broker until the individual is licensed as a MLO and Director has accepted the mortgage broker's sponsorship request. Cascade violated OAR 441-880-0315(2) by allowing Ferschweiler to be listed as the MLO on a mortgage application without having a license or requesting sponsorship from the Director.

8. Cascade is in violation of ORS 86A.115(16) for failing to supervise diligently and control the mortgage-related activities of a mortgage loan originator the licensee employs.

9. ORS 86A.992(1) authorizes the Director to impose on Cascade a civil penalty of up to $5,000.00 for each violation of the Oregon Mortgage Lender Law.

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ORDERS

Now therefore, the Director issues the following Orders:

10. As authorized by ORS 86A.127(4), the Director ORDERS Cascade to CEASE AND DESIST from violating the Oregon Mortgage Lender Law.

11. As authorized by ORS 86A.992(1), the Director hereby ORDERS that Cascade be subject to a CIVIL PENALTY of $2,500, which is due and payable at the time this Order is returned to the Division.

12. The date of this order is the day the Director or the Director's nominee signs the order. The entry of this Order does not in any way limit further remedies which may be available to the Director under Oregon law.

SO ORDERED this 30th day of April, 2019 in Salem, Oregon.

CAMERON C. SMITH, Director
Department of Consumer and Business Services

*/s/ Dorothy Bean*
Dorothy Bean, Chief of Enforcement
Division of Financial Regulation

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ENTITY CONSENT TO ENTRY OF ORDER

I, Paul G. Mattila, am an officer of Cascade Northern Mortgage, Inc. ("Cascade"), and I am authorized to act on its behalf. I have read the foregoing Order and I know and fully understand the contents hereof. The factual allegations stated herein are true and correct. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. CASCADE voluntarily consents to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order. CASCADE understands that the Director reserves the right to take further action against it to enforce this Order or to take appropriate action upon discovery that CASCADE has committed other violations of the Oregon Mortgage Lender Law. CASCADE, along with its officers, directors, employees, or agents, will fully comply with the terms and conditions stated herein.

CASCADE understands that this Order is a public document.

Signature: /s/ Paul G. Mattila

Position Held: President

State of Washington

County of Clark

Signed or attested before me on this 25 day of April, 2019 by Paul G. Mattila.

/s/ Lyn Halvorson

Notary Public

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