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

In the Matter of	)	**ORDER NO. O-02-0017**
ALL REAL ESTATE LOANS AND INVESTMENTS COMPANY	)	**CEASE AND DESIST ORDER AND CONSENT TO IMPOSITION OF CIVIL PENALTIES**

To: All Real Estate Loans and Investments Company
203 SE H Street
Grants Pass, Oregon 97526

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director") conducted an investigation of All Real Estate Loans and Investments Company, and determined that All Real Estate Loans and Investments Company engaged in activities constituting violations of ORS 59.840 through 59.965 (hereinafter "the Oregon Mortgage Lender Law"); and

WHEREAS All Real Estate Loans and Investments Company wishes to resolve and settle this matter with the Director;

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this order All Real Estate Loans and Investments Company hereby **CONSENTS** to the entry of this order without admitting the Director's Findings of Fact and Conclusions of Law as stated hereinafter:

071602-033-001-001-0500-0000030000

FINDINGS OF FACT

The Director **FINDS** that:

1. All Real Estate Loans and Investments Company (hereinafter "Respondent"),

incorporated in Oregon on July 22, 1998 engages in residential mortgage transactions in Oregon or on Oregon real property in expectation of compensation.

2. Respondent is owned by Bernard and Patricia LaMontagne.

3. Respondent was originally licensed as a sole proprietorship of Bernard LaMontagne and then converted to a corporation.

4. Respondent in either form has been continuously licensed by the Director to engage in residential real estate loan transactions since December 30, 1997.

5. On January 25, 2002, the Director received a consumer complaint filed by Greg and Anne Bailey against Respondent regarding the fees earned by Respondent on the residential mortgage transaction brokered on behalf of the consumers by Respondent.

6. Based upon that complaint, the Director obtained a copy of Greg and Anne Bailey's loan file from Respondent for review.

7. The Director's review of the loan file revealed that the good faith estimate did not contain an estimate for a yield spread premium.

8. The HUD-1 for Greg and Anne Bailey's loan did include a yield spread premium paid from Wells Fargo Home Mortgage to Respondent.

9. The Truth in Lending disclosure provided by Respondent to Greg and Anne Bailey did not contain dates for repayment of the loan.

10. The loan file for Greg and Anne Bailey did not contain a borrower acknowledge float agreement or a compliant lock agreement.

11. Respondent would like to resolve the investigation with the Division but does not admit that the Findings of Fact contained in this Order are true.

CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

1. Respondent violated ORS 59.865(2) by failing to provide the consumer a good faith estimate in compliance with 24 CFR 3500.7(b) and Appendix A to Part 3500 which requires that a mortgage broker provide the consumer with a good faith estimate that contains an estimate of the charges the consumer is likely to incur at closing including any yield spread premium likely to be paid to the mortgage broker.

2. Respondent violated ORS 59.955 by failing to provide to the consumer a Truth in Lending disclosure in compliance with 12 CFR 226.18(g) which requires that the Truth in Lending disclosure include the timing of payments scheduled to repay the obligation.

3. Respondent violated OAR 441-865-0060(1)(c) by failing to have either a borrower acknowledged float agreement or a compliant lock agreement in the borrowers' file.

ORDER

The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that All Real Estate Loans and Investments Company will **CEASE AND DESIST** from violating any provision of Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 and any rule, order, or policy issued by the Division.

The Director, pursuant to ORS 59.996 hereby **ORDERS** All Real Estate Loans and Investments Company to pay the State of Oregon a civil penalty of $3,000. The civil penalty is based upon $1,000 for the violation of ORS 59.865(2) for failure to disclose the yield spread premium on the good faith estimate, $1,000 for the violation of ORS 59.955 for failure to provide a Truth in Lending disclosure which includes the dates for repayment and $1,000 for the violation of OAR 441-865-0060(1)(c) for failure to have a borrower acknowledged float or a compliant lock agreement in the borrower's file.

The Director suspends payment of $2,700.00 of the assessed civil penalty for a three year period. If in the period between the date of the Order to three years from the

date of the Order, All Real Estate Loans and Investments Company violates any provision of the Oregon Mortgage Lender Law. OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy issued by the Division, the suspended portion of the assessed civil penalty will become immediately due and payable. If All Real Estate Loans and Investments Company does not violate the Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy issued by the Division in the three year period, the suspended portion of the civil penalty is waived. The date of the Order is the date the Director signs the Order.

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

Dated this 12th day of July, 2002.

MARY C. NEIDIG, DIRECTOR
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

by _____
FLOYD G. LANTER, ADMINISTRATOR
DIVISION OF FINANCE AND CORPORATE SECURITIES

CONSENT TO ENTRY OF ORDER

I, Bernard F. LaMontagne, state that I am the President of All Real Estate Loans and Investments Company, and I am authorized to act on its behalf; that I have read the foregoing Order and that I know and fully understand the contents hereof; that All Real Estate Loans and Investments Company does not admit the findings of fact herein but does voluntarily consent to the entry of this Order without further hearing, expressly waiving any right to a hearing in this matter; that All Real Estate Loans and Investments Company understands that the

Director reserves the right to take further actions to enforce this order or to take appropriate action upon discovery of other violations of Oregon Mortgage Lender Law; and that All Real Estate Loans and Investments Company will fully comply with Oregon Mortgage Lender Law.

I understand that this Consent Order is a public document.

Dated this 12 day of July, 2002.

By President Bernard F. LaMontagne
(Office Held)

Bernard F. LaMontagne, pres
(Signature)

CORPORATE ACKNOWLEDGMENT

There appeared before me this 12 day of July, 2002, BERNARD F. LaMONTAGNE, who was first duly sworn on oath, and stated that s/he was and is the PRESIDENT of All Real Estate Loans and Investments Company and HE is authorized and empowered to sign this Consent to Entry of Order on behalf of All Real Estate Loans and Investments Company and to bind All Real Estate Loans and Investments Company to the terms hereof.

Signature of Notary Public
Notary Public for the State of: OREGON
My Commission expires: 4-28-06

OFFICIAL SEAL
COREY A MEDINA
NOTARY PUBLIC - OREGON
COMMISSION NO. 357231
MY COMMISSION EXPIRES APR. 28, 2006