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-02-0010**
WILLAMETTE MORTGAGE SERVICES INC.	**CEASE AND DESIST ORDER AND CONSENT TO IMPOSITION OF CIVIL PENALTIES**

To: Willamette Mortgage Services Inc.
15601 SE McLoughlin Blvd.
Milwaukie, Oregon 97267

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director") conducted an investigation of Willamette Mortgage Services Inc., and determined that Willamette Mortgage Services Inc. engaged in activities constituting violations of ORS 59.840 through 59.965 (hereinafter "the Oregon Mortgage Lender Law"); and

WHEREAS Willamette Mortgage Services Inc. wishes to resolve and settle this matter with the Director;

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this order Willamette Mortgage Services Inc. hereby **CONSENTS** to entry of this order upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter:

FINDINGS OF FACT

The Director **FINDS** that:

1. Willamette Mortgage Services Inc. (hereinafter "Respondent"), incorporated in Oregon on June 17, 1997 engages in residential mortgage transactions in Oregon or on Oregon real property in expectation of compensation.

2. Respondent has been licensed as an Oregon mortgage lender by the Director since June 27, 1997.

3. Bret Martin is the majority owner of Respondent.

4. On or about March 29, 2002, the Director received a call on behalf of consumer Maria Arevalo regarding a yield spread premium collected on her transaction when no yield spread premium had been disclosed on the good faith estimate she received from Respondent.

5. Based upon that complaint, the Director obtained a copy of Maria Arevalo's loan file from Respondent for review.

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

7. The HUD-1 for the Arevalo loan did include a yield spread premium payable to Respondent.

8. The Truth in Lending disclosure in the file did not contain dates for repayment of the loan.

9. Neither the good faith estimate or the Truth in Lending disclosure were dated such that the Director could determine if the disclosures had been provided to the consumer within the time required by statute.

10. The Appraisal Disclosure and Disclosure Notices have blanks in them that should have been completed but were not.

11. The HUD/VA Addendum to Uniform Residential Loan Application was blank except for the signatures of the consumer and the loan originator. The form specifically states "**Do not sign** unless this application is fully completed" right above the consumer's signature.

\\\

\\\

CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

1. 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.

2. 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.

3. Respondent violated ORS 59.865(2) by having the consumer sign blank documents or documents that contained blanks that should have been completed.

ORDER

The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that Willamette Mortgage Services Inc. 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** Willamette Mortgage Services Inc. to pay the State of Oregon a civil penalty of $2,000. The civil penalty is based upon $1,000 for failure to provide a properly completed good faith estimate and Truth in Lending disclosure and $1,000 for having the consumer sign documents that are blank or that contained blanks that should have been completed.

The Director suspends payment of $1, 800 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, Willamette Mortgage Services Inc. 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 Willamette Mortgage Services Inc. 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 31st day of May, 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, Bret R. Martin, state that I am the President of Willamette Mortgage Services Inc., 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 Willamette Mortgage Services Inc. admits the findings of fact herein, voluntarily consents to the entry of this Order without further hearing, expressly waiving any right to a hearing in this matter; that Willamette Mortgage Services Inc. 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 Willamette Mortgage Services Inc. will fully comply with Oregon Mortgage Lender Law.

I understand that this Consent Order is a public document.

Dated this 31ST day of May, 2002.

By BRET N. MARTIN President
(Office Held)

(Signature)

CORPORATE ACKNOWLEDGMENT

There appeared before me this 10 day of June, 2002, ~~2002~~ Bret Martin, who was first duly sworn on oath, and stated that s/he was and is the President of Willamette Mortgage Services Inc. and Bret Martin is authorized and empowered to sign this Consent to Entry of Order on behalf of Willamette Mortgage Services Inc. and to bind Willamette Mortgage Services Inc. to the terms hereof.

OFFICIAL SEAL
RODNEY S. COLE
NOTARY PUBLIC-OREGON
COMMISSION NO. 335551
MY COMMISSION EXPIRES JUNE 13, 2004

Signature of Notary Public
Notary Public for the State of: Oregon
My Commission expires: 6-13-04