

1 Hooper, Michelle Hennessey, Michael Pullen, and Johnna Timmes. Spencer found substantive
2 deficiencies in each file.

3 **Gerald Moritzsky**

4 6. The **PACIFIC NORTHWEST MORTGAGE** loan file for Gerald Moritzsky did not
5 contain a copy of a "Truth in Lending Disclosure Statement." A "Truth in Lending Disclosure
6 Statement" is required to be employed and maintained in every file, pursuant to OAR 441-865-
7 0060 (1) (g). Furthermore, the absence of this document constitutes an unfair or unethical
8 practice or conduct in connection with the mortgage business, pursuant to ORS 59.865 (2). In
9 addition, the above described conduct constitutes the making of an untrue statement of a material
10 fact or the omission to state a material fact necessary in order to make the statements made, in
11 the light of the circumstances under which they are made, not misleading, pursuant to ORS
12 59.930 (2).

13 **Shirlie Rae Klug**

14 7. The **PACIFIC NORTHWEST MORTGAGE** loan file for Shirlie Rae Klug did not
15 contain a properly executed "Good Faith Estimate." The document that was in the file failed to
16 correctly indicate which fees or costs were "prepaid finance charges", with the result that
17 **PACIFIC NORTHWEST MORTGAGE** misrepresented the true cost of the financing, in
18 particular the amount that was financed and the Annual Percentage Rate (APR), on the "Truth in
19 Lending Disclosure Statement" (the "Good Faith Estimate" serves as the statistical basis for the
20 "Truth in Lending Disclosure Statement"). A properly executed "Good Faith Estimate" is
21 required to be employed and maintained in every file, pursuant to OAR 441-865-0060 (1) (d).
22 Furthermore, the incompleteness of this document constitutes an unfair or unethical practice or
23 conduct in connection with the mortgage business, pursuant to ORS 59.865 (2). In addition, the
24 above described conduct constitutes the making of an untrue statement of a material fact or the
25 omission to state a material fact necessary in order to make the statements made, in the light of
26 the circumstances under which they are made, not misleading, pursuant to ORS 59.930 (2).

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1 mortgage business, pursuant to ORS 59.865 (2). In addition, the above described conduct
2 constitutes the making of an untrue statement of a material fact or the omission to state a material
3 fact necessary in order to make the statements made, in the light of the circumstances under
4 which they are made, not misleading, pursuant to ORS 59.930 (2).

5 11. The **PACIFIC NORTHWEST MORTGAGE** loan file for Greta Gohn did not
6 contain an "Authorization to Release Credit Information." An "Authorization to Release Credit
7 Information" is required to be employed and maintained in every file, pursuant to OAR 441-865-
8 0060 (1) (e). Furthermore, the absence of this document constitutes an unfair or unethical
9 practice or conduct in connection with the mortgage business, pursuant to ORS 59.865 (2). In
10 addition, the above described conduct constitutes the making of an untrue statement of a material
11 fact or the omission to state a material fact necessary in order to make the statements made, in
12 the light of the circumstances under which they are made, not misleading, pursuant to ORS
13 59.930 (2).

14 12. The **PACIFIC NORTHWEST MORTGAGE** loan file for Greta Gohn did not
15 contain a credit report. Either a credit report, or other report containing documentation of
16 borrower repayment history relied upon for a loan decision, is required to be employed and
17 maintained in every file, pursuant to OAR 441-865-0060 (1) (f). Furthermore, the absence of this
18 document constitutes an unfair or unethical practice or conduct in connection with the mortgage
19 business, pursuant to ORS 59.865 (2). In addition, the above described conduct constitutes the
20 making of an untrue statement of a material fact or the omission to state a material fact necessary
21 in order to make the statements made, in the light of the circumstances under which they are
22 made, not misleading, pursuant to ORS 59.930 (2).

23 13. The **PACIFIC NORTHWEST MORTGAGE** loan file for Greta Gohn did not
24 contain a "HUD-1 Settlement Statement." A "HUD-1 Settlement Statement" is required to be
25 employed and maintained in every file, pursuant to OAR 441-865-0060 (1) (h). Furthermore, the
26 absence of this document constitutes an unfair or unethical practice or conduct in connection



1 with the mortgage business, pursuant to ORS 59.865 (2). In addition, the above described
2 conduct constitutes the making of an untrue statement of a material fact or the omission to state a
3 material fact necessary in order to make the statements made, in the light of the circumstances
4 under which they are made, not misleading, pursuant to ORS 59.930 (2).

5 14. The **PACIFIC NORTHWEST MORTGAGE** loan file for Greta Gohn did not
6 contain a "Privacy Policy Notice." A "Privacy Policy Notice" that comports with the
7 requirements of Title V of the Gramm-Leach-Bliley Act is required for all mortgage loans
8 originated after July 1, 2001. Failure to provide said notice constitutes an illegal practice in
9 connection with the mortgage business, pursuant to ORS 59.865 (2). In addition, the above
10 described conduct constitutes the making of an untrue statement of a material fact or the
11 omission to state a material fact necessary in order to make the statements made, in the light of
12 the circumstances under which they are made, not misleading, pursuant to ORS 59.930 (2).

13 15. The **PACIFIC NORTHWEST MORTGAGE** loan file for Greta Gohn contained a
14 series of documents that were not completed (were "blank"), yet contained the consumer's
15 signature. These documents included the interest rate lock/float agreement, the authorization to
16 release credit information, and several FHA related disclosures. Causing a consumer to execute
17 "blank" mortgage loan documents constitutes an unfair or unethical practice in connection with
18 the mortgage business, pursuant to ORS 59.865 (2). In addition, the above described conduct
19 constitutes the making of an untrue statement of a material fact or the omission to state a material
20 fact necessary in order to make the statements made, in the light of the circumstances under
21 which they are made, not misleading, pursuant to ORS 59.930 (2).

22 **Diane McDowell**

23 16. The **PACIFIC NORTHWEST MORTGAGE** loan file for Diane McDowell did
24 not contain a properly executed "Good Faith Estimate." The "Good Faith Estimate" that was in
25 the file failed to correctly state which fees or costs were "prepaid finance charges", which
26 misrepresented the true cost of the financing, in particular the amount financed and the APR. A

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1 "Good Faith Estimate" is required to be employed and maintained in every file, pursuant to OAR
2 441-865-0060 (1) (d). Furthermore, the inaccuracy of this document constitutes an unfair or
3 unethical practice or conduct in connection with the mortgage business, pursuant to ORS 59.865
4 (2). In addition, the above described conduct constitutes the making of an untrue statement of a
5 material fact or the omission to state a material fact necessary in order to make the statements
6 made, in the light of the circumstances under which they are made, not misleading, pursuant to
7 ORS 59.930 (2).

8 17. The **PACIFIC NORTHWEST MORTGAGE** loan file for Diane McDowell did not
9 contain a properly executed "Truth in Lending Disclosure Statement." The Truth in Lending
10 Disclosure Statement in the file failed to correctly report the finance charges, failed to correctly
11 report the APR, and failed to list the date upon which the first payment was due. A "Truth in
12 Lending Disclosure Statement" is required to be employed and maintained in every file, pursuant
13 to OAR 441-865-0060 (1) (g). Furthermore, the inaccuracy of this document constitutes an
14 unfair or unethical practice or conduct in connection with the mortgage business, pursuant to
15 ORS 59.865 (2). In addition, the above described conduct constitutes the making of an untrue
16 statement of a material fact or the omission to state a material fact necessary in order to make the
17 statements made, in the light of the circumstances under which they are made, not misleading,
18 pursuant to ORS 59.930 (2).

19 18. The **PACIFIC NORTHWEST MORTGAGE** loan file for Diane McDowell did
20 not contain an "Authorization to Release Credit Information." An "Authorization to Release
21 Credit Information" is required to be employed and maintained in every file, pursuant to OAR
22 441-865-0060 (1) (e). Furthermore, the absence of this document constitutes an unfair or
23 unethical practice or conduct in connection with the mortgage business, pursuant to ORS 59.865
24 (2). In addition, the above described conduct constitutes the making of an untrue statement of a
25 material fact or the omission to state a material fact necessary in order to make the statements
26

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1 made, in the light of the circumstances under which they are made, not misleading, pursuant to
2 ORS 59.930 (2).

3 19. The **PACIFIC NORTHWEST MORTGAGE** loan file for Diane McDowell did
4 not contain a credit report. Either a credit report, or other report containing documentation of
5 borrower repayment history relied upon for a loan decision, is required to be employed and
6 maintained in every file, pursuant to OAR 441-865-0060 (1) (f). Furthermore, the absence of this
7 document constitutes an unfair or unethical practice or conduct in connection with the mortgage
8 business, pursuant to ORS 59.865 (2). In addition, the above described conduct constitutes the
9 making of an untrue statement of a material fact or the omission to state a material fact necessary
10 in order to make the statements made, in the light of the circumstances under which they are
11 made, not misleading, pursuant to ORS 59.930 (2).

12 20. The **PACIFIC NORTHWEST MORTGAGE** loan file for Diane McDowell did
13 not contain a "HUD-1 Settlement Statement." A "HUD-1 Settlement Statement" is required to be
14 employed and maintained in every file, pursuant to OAR 441-865-0060 (1) (h). Furthermore, the
15 absence of this document constitutes an unfair or unethical practice or conduct in connection
16 with the mortgage business, pursuant to ORS 59.865 (2). In addition, the above described
17 conduct constitutes the making of an untrue statement of a material fact or the omission to state a
18 material fact necessary in order to make the statements made, in the light of the circumstances
19 under which they are made, not misleading, pursuant to ORS 59.930 (2).

20 21. The **PACIFIC NORTHWEST MORTGAGE** loan file for Diane McDowell did
21 not contain an "Interest Rate Lock/Float Agreement." An "Interest Rate Lock/Float Agreement"
22 is required to be employed and maintained in every file, pursuant to OAR 441-865-0060 (1) (c).
23 Furthermore, the absence of this document constitutes an unfair or unethical practice in
24 connection with the mortgage business, pursuant to ORS 59.865 (2). In addition, the above
25 described conduct constitutes the making of an untrue statement of a material fact or the
26

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1 omission to state a material fact necessary in order to make the statements made, in the light of
2 the circumstances under which they are made, not misleading, pursuant to ORS 59.930 (2).

3 22. The **PACIFIC NORTHWEST MORTGAGE** loan file for Diane McDowell
4 contained a series of documents that were not completed (were “blank”), yet contained the
5 consumer’s signature. These documents included the Equal Credit Opportunity Act notice, the
6 Fair Lending notice, the Right to Appraisal, and IRS Form 4506. Causing a consumer to execute
7 “blank” documents constitutes an unfair or unethical practice or conduct in connection with the
8 mortgage business, pursuant to ORS 59.865 (2). In addition, the above described conduct
9 constitutes the making of an untrue statement of a material fact or the omission to state a material
10 fact necessary in order to make the statements made, in the light of the circumstances under
11 which they are made, not misleading, pursuant to ORS 59.930 (2).

12 **Greg Hooper**

13 23. The **PACIFIC NORTHWEST MORTGAGE** loan file for Greg Hooper did not
14 contain a properly executed “Good Faith Estimate.” The “Good Faith Estimate” that was in the
15 file failed to accurately state which fees or costs were “prepaid finance charges”, which
16 misrepresented the true cost of the financing, in particular the amount financed and the APR. A
17 “Good Faith Estimate” is required to be employed and maintained in every file, pursuant to OAR
18 441-865-0060 (1) (d). Furthermore, the inaccuracy of this document constitutes an unfair or
19 unethical practice or conduct in connection with the mortgage business, pursuant to ORS 59.865
20 (2). In addition, the above described conduct constitutes the making of an untrue statement of a
21 material fact or the omission to state a material fact necessary in order to make the statements
22 made, in the light of the circumstances under which they are made, not misleading, pursuant to
23 ORS 59.930 (2).

24 24. The **PACIFIC NORTHWEST MORTGAGE** loan file for Greg Hooper did not
25 contain an “Authorization to Release Credit Information”, even though the file contained a credit
26 report. An “Authorization to Release Credit Information” is required to be employed and



1 maintained in every file, pursuant to OAR 441-865-0060 (1) (e). Furthermore, the absence of this
2 document constitutes an unfair or unethical practice or conduct in connection with the mortgage
3 business, pursuant to ORS 59.865 (2). In addition, the above described conduct constitutes the
4 making of an untrue statement of a material fact or the omission to state a material fact necessary
5 in order to make the statements made, in the light of the circumstances under which they are
6 made, not misleading, pursuant to ORS 59.930 (2).

7 25. The **PACIFIC NORTHWEST MORTGAGE** loan file for Greg Hooper did not
8 contain a "HUD-1 Settlement Statement." A "HUD-1 Settlement Statement" is required to be
9 employed and maintained in every file, pursuant to OAR 441-865-0060 (1) (h). Furthermore, the
10 absence of this document constitutes an unfair or unethical practice or conduct in connection
11 with the mortgage business, pursuant to ORS 59.865 (2). In addition, the above described
12 conduct constitutes the making of an untrue statement of a material fact or the omission to state a
13 material fact necessary in order to make the statements made, in the light of the circumstances
14 under which they are made, not misleading, pursuant to ORS 59.930 (2).

15 26. The **PACIFIC NORTHWEST MORTGAGE** loan file for Greg Hooper did not
16 contain an "Interest Rate Lock/Float Agreement." An "Interest Rate Lock/Float Agreement" is
17 required to be employed and maintained in every file, pursuant to OAR 441-865-0060 (1) (c).
18 Furthermore, the absence of this document constitutes an unfair or unethical practice or conduct
19 in connection with the mortgage business, pursuant to ORS 59.865 (2). In addition, the above
20 described conduct constitutes the making of an untrue statement of a material fact or the
21 omission to state a material fact necessary in order to make the statements made, in the light of
22 the circumstances under which they are made, not misleading, pursuant to ORS 59.930 (2).

23 27. The **PACIFIC NORTHWEST MORTGAGE** loan file for Greg Hooper did not
24 contain a "Truth in Lending Disclosure Statement." A "Truth in Lending Disclosure Statement"
25 is required to be employed and maintained in every file, pursuant to OAR 441-865-0060 (1) (g).
26 Furthermore, the absence of this document constitutes an unfair or unethical practice or conduct



1 in connection with the mortgage business, pursuant to ORS 59.865 (2). In addition, the above
2 described conduct constitutes the making of an untrue statement of a material fact or the
3 omission to state a material fact necessary in order to make the statements made, in the light of
4 the circumstances under which they are made, not misleading, pursuant to ORS 59.930 (2).

5 28. The **PACIFIC NORTHWEST MORTGAGE** loan file for Greg Hooper did not
6 contain a "Privacy Policy Notice." A "Privacy Policy Notice" that comports with the
7 requirements of Title V of the Gramm-Leach-Bliley Act is required for all mortgage loans
8 originated after July 1, 2001. Failure to provide said notice constitutes an illegal practice or
9 conduct in connection with the mortgage business, pursuant to ORS 59.865 (2). In addition, the
10 above described conduct constitutes the making of an untrue statement of a material fact or the
11 omission to state a material fact necessary in order to make the statements made, in the light of
12 the circumstances under which they are made, not misleading, pursuant to ORS 59.930 (2).

13 **Michelle Hennessey**

14 29. The **PACIFIC NORTHWEST MORTGAGE** loan file for Michelle Hennessey did
15 not contain a properly executed "Good Faith Estimate." The "Good Faith Estimate" that was in
16 the file failed to correctly state which fees or costs were "prepaid finance charges." A "Good
17 Faith Estimate" is required to be employed and maintained in every file, pursuant to OAR 441-
18 865-0060 (1) (d). Furthermore, the inaccuracy of this document constitutes an unfair or unethical
19 practice or conduct in connection with the mortgage business, pursuant to ORS 59.865 (2). In
20 addition, the above described conduct constitutes the making of an untrue statement of a material
21 fact or the omission to state a material fact necessary in order to make the statements made, in
22 the light of the circumstances under which they are made, not misleading, pursuant to ORS
23 59.930 (2).

24 30. The **PACIFIC NORTHWEST MORTGAGE** loan file for Michelle Hennessey did
25 not contain a "Truth in Lending Disclosure Statement." A "Truth in Lending Disclosure
26 Statement" is required to be employed and maintained in every file, pursuant to OAR 441-865-



1 0060 (1) (g). Furthermore, the absence of this document constitutes an unfair or unethical
2 practice or conduct in connection with the mortgage business, pursuant to ORS 59.865 (2). In
3 addition, the above described conduct constitutes the making of an untrue statement of a material
4 fact or the omission to state a material fact necessary in order to make the statements made, in
5 the light of the circumstances under which they are made, not misleading, pursuant to ORS
6 59.930 (2).

7 31. The **PACIFIC NORTHWEST MORTGAGE** loan file for Michelle Hennessey did
8 not contain an "Authorization to Release Credit Information", even though the file contained a
9 credit report. An "Authorization to Release Credit Information" is required to be employed and
10 maintained in every file, pursuant to OAR 441-865-0060 (1) (e). Furthermore, the absence of this
11 document constitutes an unfair or unethical practice or conduct in connection with the mortgage
12 business, pursuant to ORS 59.865 (2). In addition, the above described conduct constitutes the
13 making of an untrue statement of a material fact or the omission to state a material fact necessary
14 in order to make the statements made, in the light of the circumstances under which they are
15 made, not misleading, pursuant to ORS 59.930 (2).

16 32. The **PACIFIC NORTHWEST MORTGAGE** loan file for Michelle Hennessey did
17 not contain a "HUD-1 Settlement Statement." A "HUD-1 Settlement Statement" is required to be
18 employed and maintained in every file, pursuant to OAR 441-865-0060 (1) (h). Furthermore, the
19 absence of this document constitutes an unfair or unethical practice or conduct in connection
20 with the mortgage business, pursuant to ORS 59.865 (2). In addition, the above described
21 conduct constitutes the making of an untrue statement of a material fact or the omission to state a
22 material fact necessary in order to make the statements made, in the light of the circumstances
23 under which they are made, not misleading, pursuant to ORS 59.930 (2).

24 33. The **PACIFIC NORTHWEST MORTGAGE** loan file for Michelle Hennessey did
25 not contain an "Interest Rate Lock/Float Agreement." An "Interest Rate Lock/Float Agreement"
26 is required to be employed and maintained in every file, pursuant to OAR 441-865-0060 (1) (c).

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1 Furthermore, the absence of this document constitutes an unfair or unethical practice or conduct
2 in connection with the mortgage business, pursuant to ORS 59.865 (2). In addition, the above
3 described conduct constitutes the making of an untrue statement of a material fact or the
4 omission to state a material fact necessary in order to make the statements made, in the light of
5 the circumstances under which they are made, not misleading, pursuant to ORS 59.930 (2).

6 34. The **PACIFIC NORTHWEST MORTGAGE** file for Michelle Hennessey did not
7 contain a "Privacy Policy Notice." A "Privacy Policy Notice" that comports with the
8 requirements of Title V of the Gramm-Leach-Bliley Act is required for all mortgage loans
9 originated after July 1, 2001. Failure to provide said notice constitutes an illegal practice in
10 connection with the mortgage business, pursuant to ORS 59.865 (2). In addition, the above
11 described conduct constitutes the making of an untrue statement of a material fact or the
12 omission to state a material fact necessary in order to make the statements made, in the light of
13 the circumstances under which they are made, not misleading, pursuant to ORS 59.930 (2).

14 35. The **PACIFIC NORTHWEST MORTGAGE** file for Michelle Hennessey
15 contained a series of documents that were not filled out at all (were "blank"), yet contained the
16 consumer's signature. These included the Equal Credit Opportunity Act Notice, the Fair Lending
17 Notice, the Right to Appraisal, and IRS Form 4506. Causing a consumer to execute "blank"
18 documents constitutes an unfair or unethical practice or conduct in connection with the mortgage
19 business, pursuant to ORS 59.865 (2). In addition, the above described conduct constitutes the
20 making of an untrue statement of a material fact or the omission to state a material fact necessary
21 in order to make the statements made, in the light of the circumstances under which they are
22 made, not misleading, pursuant to ORS 59.930 (2).

23 **Michael Pullen**

24 36. The **PACIFIC NORTHWEST MORTGAGE** loan file for Michael Pullen did not
25 contain a properly executed "Good Faith Estimate." The "Good Faith Estimate" that was in the
26 file failed to accurately state which fees or costs were "prepaid finance charges", which



1 misrepresented the true cost of the financing, in particular the amount financed and the APR. A
2 “Good Faith Estimate” is required to be employed and maintained in every file, pursuant to OAR
3 441-865-0060 (1) (d). Furthermore, the inaccuracy of this document constitutes an unfair or
4 unethical practice or conduct in connection with the mortgage business, pursuant to ORS 59.865
5 (2). In addition, the above described conduct constitutes the making of an untrue statement of a
6 material fact or the omission to state a material fact necessary in order to make the statements
7 made, in the light of the circumstances under which they are made, not misleading, pursuant to
8 ORS 59.930 (2).

9 37. The **PACIFIC NORTHWEST MORTGAGE** loan file for Michael Pullen did not
10 contain a properly executed “Truth in Lending Disclosure Statement.” The Truth in Lending
11 Disclosure Statement in the file failed to correctly state the finance charges, failed to correctly
12 state the APR, and failed to state the date upon which the first payment was due. A “Truth in
13 Lending Disclosure Statement” is required to be employed and maintained in every file, pursuant
14 to OAR 441-865-0060 (1) (g). Furthermore, the inaccuracy of this document constitutes an
15 unfair or unethical practice or conduct in connection with the mortgage business, pursuant to
16 ORS 59.865 (2). In addition, the above described conduct constitutes the making of an untrue
17 statement of a material fact or the omission to state a material fact necessary in order to make the
18 statements made, in the light of the circumstances under which they are made, not misleading,
19 pursuant to ORS 59.930 (2).

20 38. The **PACIFIC NORTHWEST MORTGAGE** loan file for Michael Pullen
21 contained a series of documents that were not completed (were “blank”), yet contained the
22 consumer’s signature. These included the Equal Credit Opportunity Act Notice, the Fair Lending
23 Notice, the Right to Appraisal, IRS Form 4506, the Mortgage Loan Origination Agreement, the
24 Authorization to Release Credit Information, and the Interest rate lock/float agreement. Causing
25 a consumer to execute blank documents constitutes an unfair or unethical practice or conduct in
26 connection with the mortgage business, pursuant to ORS 59.865 (2). In addition, the above



1 described conduct constitutes the making of an untrue statement of a material fact or the
2 omission to state a material fact necessary in order to make the statements made, in the light of
3 the circumstances under which they are made, not misleading, pursuant to ORS 59.930 (2).

4 **Johnna Timmes**

5 39. The **PACIFIC NORTHWEST MORTGAGE** loan file for Johnna Timmes
6 contained an executed loan application that did not include the amount borrowed. A fully
7 executed loan application is required to be employed and maintained in every file, pursuant to
8 OAR 441-865-0060 (1) (a). Furthermore, the inaccuracy of this document constitutes an unfair
9 or unethical practice or conduct in connection with the mortgage business, pursuant to ORS
10 59.865 (2). In addition, the above described conduct constitutes the making of an untrue
11 statement of a material fact or the omission to state a material fact necessary in order to make the
12 statements made, in the light of the circumstances under which they are made, not misleading,
13 pursuant to ORS 59.930 (2).

14 40. The **PACIFIC NORTHWEST MORTGAGE** loan file for Johnna Timmes did not
15 contain a "Good Faith Estimate." A "Good Faith Estimate" is required to be employed and
16 maintained in every file, pursuant to OAR 441-865-0060 (1) (d). Furthermore, the absence of
17 this document constitutes an unfair or unethical practice or conduct in connection with the
18 mortgage business, pursuant to ORS 59.865 (2). In addition, the above described conduct
19 constitutes the making of an untrue statement of a material fact or the omission to state a material
20 fact necessary in order to make the statements made, in the light of the circumstances under
21 which they are made, not misleading, pursuant to ORS 59.930 (2).

22 41. The **PACIFIC NORTHWEST MORTGAGE** loan file for Johnna Timmes did not
23 contain a "Truth in Lending Disclosure Statement.", A "Truth in Lending Disclosure Statement"
24 is required to be employed and maintained in every file, pursuant to OAR 441-865-0060 (1) (g).
25 Furthermore, the absence of this document constitutes an unfair or unethical practice or conduct
26 in connection with the mortgage business, pursuant to ORS 59.865 (2). In addition, the above



1 described conduct constitutes the making of an untrue statement of a material fact or the
2 omission to state a material fact necessary in order to make the statements made, in the light of
3 the circumstances under which they are made, not misleading, pursuant to ORS 59.930 (2).

4 42. The **PACIFIC NORTHWEST MORTGAGE** loan file for Johnna Timmes did not
5 contain an "Authorization to Release Credit Information", even though the file contained a credit
6 report. An "Authorization to Release Credit Information" is required to be employed and
7 maintained in every file, pursuant to OAR 441-865-0060 (1) (e). Furthermore, the absence of this
8 document constitutes an unfair or unethical practice or conduct in connection with the mortgage
9 business, pursuant to ORS 59.865 (2). In addition, the above described conduct constitutes the
10 making of an untrue statement of a material fact or the omission to state a material fact necessary
11 in order to make the statements made, in the light of the circumstances under which they are
12 made, not misleading, pursuant to ORS 59.930 (2).

13 43. The **PACIFIC NORTHWEST MORTGAGE** file for Johnna Timmes did not
14 contain an "Interest Rate Lock/Float Agreement." An "Interest Rate Lock/Float Agreement" is
15 required to be employed and maintained in every file, pursuant to OAR 441-865-0060 (1) (c).
16 Furthermore, the absence of this document constitutes an unfair or unethical practice or conduct
17 in connection with the mortgage business, pursuant to ORS 59.865 (2). In addition, the above
18 described conduct constitutes the making of an untrue statement of a material fact or the
19 omission to state a material fact necessary in order to make the statements made, in the light of
20 the circumstances under which they are made, not misleading, pursuant to ORS 59.930 (2).

21 44. The **PACIFIC NORTHWEST MORTGAGE** loan file for Johnna Timmes did not
22 contain a "Privacy Policy Notice." A "Privacy Policy Notice" that comports with the
23 requirements of Title V of the Gramm-Leach-Bliley Act is required for all mortgage loans
24 originated after July 1, 2001. Failure to provide said notice constitutes an illegal practice in
25 connection with the mortgage business, pursuant to ORS 59.865 (2). In addition, the above
26 described conduct constitutes the making of an untrue statement of a material fact or the

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1 omission to state a material fact necessary in order to make the statements made, in the light of
2 the circumstances under which they are made, not misleading, pursuant to ORS 59.930 (2).

3 45. The **PACIFIC NORTHWEST MORTGAGE** loan file for Johnna Timmes
4 contained a series of documents that were not completed (were "blank"), yet contained the
5 consumer's signature. These included the Equal Credit Opportunity Act Notice, the Fair Lending
6 Notice, the Right to Appraisal, and IRS Form 4506. Causing a consumer to execute blank
7 documents constitutes an unfair or unethical practice in connection with the mortgage business,
8 pursuant to ORS 59.865 (2). In addition, the above described conduct constitutes the making of
9 an untrue statement of a material fact or the omission to state a material fact necessary in order to
10 make the statements made, in the light of the circumstances under which they are made, not
11 misleading, pursuant to ORS 59.930 (2).

12 CONCLUSIONS OF LAW

13 The Director **CONCLUDES** that:

14 46. **PACIFIC NORTHWEST MORTGAGE** failed to employ and maintain required
15 disclosure documents, including the Truth in Lending Disclosure, Good Faith Estimate,
16 Authorization to Release Credit Information, Credit Report, HUD-1 Settlement Statement,
17 Interest Rate Lock/Float Agreement, and Privacy Policy Notice, in every loan file. These actions
18 constitute an unfair or unethical practice or conduct in connection with the mortgage business,
19 pursuant to ORS 59.865 (2), and the making of an untrue statement of a material fact or the
20 omission to state a material fact necessary in order to make the statements made, in the light of
21 the circumstances under which they are made, not misleading, pursuant to ORS 59.930 (2), and
22 are the subject of sanction of **PACIFIC NORTHWEST MORTGAGE** pursuant to ORS
23 59.870.

24 47. **PACIFIC NORTHWEST MORTGAGE** caused consumers to sign "blank"
25 required disclosure documents. These actions constitute an unfair or unethical practice or
26 conduct in connection with the mortgage business, pursuant to ORS 59.865 (2), and the making

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1 of an untrue statement of a material fact or the omission to state a material fact necessary in order
2 to make the statements made, in the light of the circumstances under which they are made, not
3 misleading, pursuant to ORS 59.930 (2), and are the subject of sanction of **PACIFIC**
4 **NORTHWEST MORTGAGE** pursuant to ORS 59.870.

5 48. **PACIFIC NORTHWEST MORTGAGE** failed to adhere to the terms of the Cease
6 and Desist Order entered against it by the Director on June 30, 2003. These actions constitute a
7 willful failure to comply with any provision of ORS 59.840 to 59.980 or a rule or order of the
8 Director, pursuant to ORS 59.865 (3).

9 49. **PACIFIC NORTHWEST MORTGAGE** repeatedly failed to maintain required
10 disclosure information, including the Truth in Lending Disclosure, Good Faith Estimate,
11 Authorization to Release Credit Information, Credit Report, HUD-1 Settlement Statement, and
12 Interest Rate Lock/Float Agreement in consumer loan files. These actions constitute a violation
13 of ORS 59.860 and OAR 441-865-0060 (1).

14 50. **PACIFIC NORTHWEST MORTGAGE** failed to adequately supervise its
15 branch office. These actions constitute a violation of OAR 441-865-0040.

16 **ORDER**

17 Therefore, the Director **ORDERS**:

18
19 51. That **PACIFIC NORTHWEST MORTGAGE** shall **CEASE AND DESIST** from
20 violating any provision of Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-
21 0010 and any rule, order or policy issued by the Division of Finance and Corporate Securities

22 52. That **PACIFIC NORTHWEST MORTGAGE** shall pay the sum of **TWELVE**
23 **THOUSAND FIVE HUNDRED DOLLARS** (\$12,500.00) as a civil penalty for violations of
24 ORS 59.865 (2) and ORS 59.930 (2) described herein. Of this sum, **SEVEN THOUSAND**
25 **FIVE HUNDRED DOLLARS** (\$7,500.00) shall be **SUSPENDED** for a period of three (3)
26 years. In the event **PACIFIC NORTHWEST MORTGAGE** receives no books and records

1 examination scores of four (4) or five (5) in the three (3) years following the date of entry of this
2 Order, said amount shall be deemed to be permanently waived. The remaining sum of **FIVE**
3 **THOUSAND DOLLARS** (\$5,000.00) shall be paid no later than thirty (30) days from the date
4 of entry of this Order.

5 53. That **PACIFIC NORTHWEST MORTGAGE** shall pay the sum of **TWELVE**
6 **THOUSAND FIVE HUNDRED DOLLARS** (\$12,500.00) as a civil penalty for violations of
7 ORS 59.860 and OAR 441-865-0060 described herein. Of this sum, **SEVEN THOUSAND**
8 **FIVE HUNDRED DOLLARS** (\$7,500.00) shall be **SUSPENDED** for a period of three (3)
9 years. In the event **PACIFIC NORTHWEST MORTGAGE** receives no books and records
10 examination scores of four (4) or five (5) in the three (3) years following the date of entry of this
11 Order, said amount shall be deemed to be permanently waived. The remaining sum of **FIVE**
12 **THOUSAND DOLLARS** (\$5,000.00) shall be paid no later than sixty (60) days from the date
13 of entry of this Order.

14 54. That **PACIFIC NORTHWEST MORTGAGE** shall pay the sum of **FIVE**
15 **THOUSAND DOLLARS** (\$5,000.00) as a civil penalty for violations of OAR 441-860-0040
16 described herein. Said amount shall be paid concurrent with the entry of this Order, but no later
17 than December 20, 2006.

18 IT IS SO ORDERED.

19 Dated this _____ day of December, 2006 NUNC PRO TUNC February 7, 2006
20 at Salem, Oregon.

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21
22 CORY STREISINGER, Director
23 Department of Consumer and Business Services

24
25 _____
26 David C. Tatman, Administrator
Division of Finance and Corporate Securities

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CONSENT TO ENTRY OF ORDER

I, Gerald S. Wilson, state: that I am an officer of Pacific Northwest Mortgage, Inc. and am authorized to act on its behalf; that I have read the foregoing Order and that I know and fully understand the contents herein; that Pacific Northwest Mortgage, Inc. has been advised of the right to a hearing and of the right to be represented by counsel in this matter; that Pacific Northwest Mortgage, Inc. voluntarily and without any force or duress, consents to the entry of this Order, expressly waiving any right to a hearing in this matter; that this Order contains the entirety of the agreement reached by the parties, and that no other assurances or promises have been made by either party; that Pacific Northwest Mortgage, 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 the Oregon Mortgage Lender Law; and that Pacific Northwest Mortgage, Inc. will fully comply with the terms and conditions stated herein.

Pacific Northwest Mortgage, Inc. further assures the Director that neither Pacific Northwest Mortgage, Inc., nor its officers, directors, employees or agents will effect mortgage transactions in Oregon unless such activities are in full compliance with Chapter 59 of the Oregon Revised Statutes.

Pacific Northwest Mortgage, Inc. further understands that this Consent Order is a public document.

Dated this 18 day of December, 2006.

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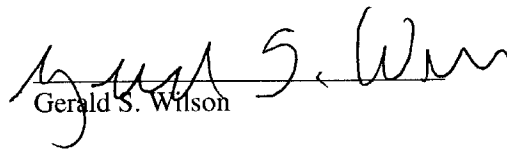


By Gerald S. Wilson
Gerald S. Wilson

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CORPORATE ACKNOWLEDGMENT

There appeared before me this 18 day of December, 2006 Gerald S. Wilson, who was first duly sworn on oath, and stated that he is President of Pacific Northwest Mortgage, Inc. and is authorized and empowered to sign this Consent to Entry of Order on behalf of Pacific Northwest Mortgage, Inc., and to bind Pacific Northwest Mortgage, Inc. to the terms hereof.


Gerald S. Wilson

(Printed Name of Notary Public)
Notary Public
for the State of: _____
My commission expires: _____

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