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For immediate release:
April 17, 2007

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State orders two mortgage providers to stop illegal activity

Cases involve fraud, violations of licensing laws

(Salem) — The Oregon Department of Consumer and Business Services has ordered two mortgage providers to stop their unlawful activities in Oregon and pay nearly \$60,000 in fines.

The department ordered Local Point Financial to cease and desist and pay \$50,000 in fines for unlicensed activity and fraud in mortgage lending after it learned the company was offering to provide Oregon residential mortgage loans to consumers via unsolicited fax transmissions. Several consumers were given a Portland address for Local Point Financial that did not exist. Local Point Financial is not licensed to make or offer Oregon residential mortgage loans. Local Point Financial may request a hearing regarding the allegations in the notice.

In the second case, the department ordered Clayborn Collins of Portland to cease and desist from unlicensed mortgage lending activity and pay \$17,500 in fines, with half of that amount suspended provided that Collins fully complies with the order and commits no further violations of the Oregon Mortgage Lender Law. Collins requested several residential property appraisals using the names of other properly licensed loan originators. The department had not issued Collins a license as a loan originator at the time he requested the appraisals. Collins also submitted false information in his loan originator application. Collins has consented to the issuance of the order.

“Obtaining a mortgage loan is the often the single largest financial decision an Oregonian will make,” said David Tatman, administrator of the department’s Division of Finance and Corporate Securities (DFCS). “Our department is increasing enforcement efforts in mortgage lending to ensure that consumers are treated fairly in these important transactions and that lenders follow the law.”

DFCS advises consumers to do their homework before doing business with any mortgage lender. To check a lender’s credentials, call DFCS toll-free (866) 814-9710, (503) 378-4140 in Salem, or go to www.dfcs.oregon.gov and click on “Mortgage lenders & loan originators.”

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The Division of Finance and Corporate Securities, part of the Department of Consumer & Business Services, helps ensure that a wide range of financial products and services are available to Oregonians and helps protect consumers from financial fraud and abuse. For more information, visit www.dfcs.oregon.gov.

The Department of Consumer and Business Services is Oregon’s largest business regulatory and consumer protection agency. For more information, visit www.dcbs.oregon.gov.