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## **State issues fines, enforcement orders in 2 mortgage lending cases**

*Both cases involved dishonest practices*

(Salem) — In an ongoing effort to strengthen its regulation of the mortgage lending industry, the Oregon Department of Consumer and Business Services issued cease-and-desist orders and fines in two separate cases that involve violations of Oregon's mortgage lending laws.

The department, through its Division of Finance and Corporate Securities (DFCS) issued a final order to cease and desist by default and \$25,000 in fines against DreamLife Lenders Inc., of Hillsboro, for altering its mortgage lender license. The order also prohibits DreamLife Lenders Inc. from applying for a license for five years and prohibits the company's owner, San Saechao, from owning or operating a mortgage broker or banker for five years. DFCS was alerted to the company's actions after a lender checking DreamLife Lenders' license on the DFCS Web site noticed an inconsistency.

In the second case, DFCS ordered a former loan originator to cease and desist from violating the Oregon Mortgage Lender Law and fined him \$20,000 for creating fictitious information and submitting it to a lender. Timothy Reid, a loan originator formerly employed by Portland mortgage broker Mortgage Trust Inc., allegedly ordered the preparation of a false employment verification form to ensure that a loan application would be approved by a lender.

DCBS previously sanctioned Reid's former employer, Mortgage Trust, Inc. and its owner, Michael Leland, for failure to properly supervise Reid and assessed a civil penalty of \$40,000. Reid, Leland and Mortgage Trust, Inc. cooperated with the state's investigation and a portion of each fine has been suspended pending compliance with the terms of each cease and desist order, including no further violations of the law.

Loan originators are the middlemen between consumers seeking home financing and financial institutions desiring to make mortgage loans. Employed by mortgage brokers, loan originators are specifically prohibited by Oregon law from engaging in dishonest practices in connection with the mortgage business.

"Oregon is committed to ensuring a competitive, fraud-free mortgage market for both consumers and the financial institutions that broker or underwrite home loans" said David Tatman, administrator of the department's Division of Finance and Corporate Securities (DFCS). "We expect mortgage brokers to behave honestly at all times, and we stand ready to sanction those who fail to uphold their legal and professional obligations."

The enforcement efforts are part of a heightened focus by the department on the mortgage lending industry. DFCS recently has increased the number of mortgage lending examiners and passed administrative rules that create stricter education requirements and a better model of appropriate supervision of loan originators. DFCS also is using education and enforcement to prevent misleading advertising, has launched an industry newsletter to help mortgage lenders better understand Oregon laws and rules, and is undertaking an outreach campaign to provide information to consumers about foreclosure.

Tatman encourages anyone with evidence of misconduct in the mortgage industry to contact DCBS at its toll-free number (866) 814-9710.

DFCS advises consumers to do their homework before doing business with any financial professional. To check a mortgage lender's credentials and licensing history, call DFCS toll-free (866) 814-9710, (503) 378-4140 in Salem, or go to [www.dfcs.oregon.gov](http://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](http://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](http://www.dcbs.oregon.gov).