

Director's Office, 350 Winter St. NE, Room 200, Salem, Oregon 97301-3878

For immediate release:
October 20, 2008

For more information:
Kevin Anselm, 503-947-7498

State denies license, orders mortgage broker to cease and desist *Firm ordered to pay \$70,000 in fines for violations of Oregon Mortgage Lender Law*

(Salem) — In a continuing effort to increase enforcement in mortgage lending, the Oregon Department of Consumer and Business Services issued a cease-and-desist order and assessed \$70,000 in fines against NLC of OR Inc., formerly known as National Lending Corp., for scores of violations of Oregon mortgage lender laws. In addition to those sanctions, the department denied NLC's application for an Oregon residential mortgage banker/broker license.

The Houston-based firm had a branch office in Portland and a branch office in Bend. The department, through its Division of Finance and Corporate Securities (DFCS), conducted an examination of the Portland branch of NLC in November 2006 and identified more than 150 violations of the Oregon mortgage lender law. Among other violations, DFCS alleged that NLC failed to diligently supervise and adequately control its loan originators, failed to file required notices with DFCS, and failed to make and keep required business records. Those records include personnel ledgers, documentation of criminal background checks, verification of continuing education, and loan documents such as good faith estimates, Truth in Lending Act disclosures, and rate lock or float agreements.

“We have dedicated more resources to ensure that mortgage brokers in Oregon comply with the mortgage lender law designed to protect consumers and ensure good business conduct,” said David Tatman, administrator of the Division of Finance and Corporate Securities. “Lenders are required to supervise their loan originators, file required notices with our office, and keep books and records necessary to help protect Oregon consumers. If a mortgage lender fails to meet those obligations, our office will take appropriate action, including denying the business authority to operate in Oregon.”

The Department of Consumer and Business Services has put additional resources into mortgage lending enforcement to address concerns about the industry. So far in 2008, it has revoked five mortgage lending licenses and issued more than 30 enforcement orders. Also, more than 60 mortgage lending investigations are under way. Senate Bill 1064, passed by the 2008 Legislature, took effect in May and gives the department expanded enforcement over loan originators who sell mortgage loans to consumers. Also in May, the department adopted new, stricter rules to prevent misleading advertising in mortgage lending.

For more on what the department has done to address mortgage lending, please visit:
http://egov.oregon.gov/DCBS/docs/5_08_ml_actions.pdf.

For information on mortgage lenders, you can call the Division of Finance and Corporate Securities toll-free 866-814-9710, 503-378-4140 in Salem, or go to www.dfcs.oregon.gov.

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.

###