REAL ESTATE AGENCY 1 BEFORE THE REAL ESTATE COMMISSIONER 2 3 4 In the Matter of the Unlicensed Escrow Activity) of 5 STIPULATED FINAL ORDER 6 7 WFG LENDER SERVICES 8 9 10 The Oregon Real Estate Agency (Agency) and WFG Lender Services (WFG) do hereby 11 agree and stipulate to all of the following: 12 FINDINGS OF FACT, STATEMENTS OF LAW 13 **AND** 14 CONCLUSIONS OF LAW 15 1. 16 In establishing the violations set forth herein, the Agency may rely on one or more of the 17 definitions contained in ORS 696.505. 18 Findings of Fact: 19 1.1 At all times mentioned herein, WFG was not licensed to conduct escrow activity 20 in Oregon. WFG is part of a larger entity and WFG National Title Insurance Company holds an 21 active Oregon Escrow Agent license. 22 1.2 In April 2021, the Agency was forwarded a complaint from the Oregon 23 Department of Consumer & Business Services which had been filed by Sadie Ross (Ross). 24 The Agency opened an investigation. 25 Ross and her husband refinanced their home in October 2020. According to 1.3 26 Ross, she paid \$2,472.96 in additional closing costs to cover property taxes that were due 27 November 16, 2020. The closing disclosure statement showed "WFG Lender Services" as the 28 settlement agent for the transaction which closed on October 16, 2020. 29 On October 21, 2021, WFG issued Ross's property tax check to Multnomah 30 County after Ross's closing, but the check was never cashed and WFG issued a stop payment

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on the check in February 2021. On May 4, 2021, a check was reissued for a higher amount and cleared WFG's account on May 6, 2021.

Statement of Law: ORS 696.511(1) states a person may not directly or indirectly engage in or carry on, or purport to engage in or carry on, within this state, the business of an escrow agent, or act in the capacity of an escrow agent, unless the person holds an active license as an escrow agent under the provisions of ORS 696.505 to 696.590. ORS 696.505(6) defines "escrow agent" as a person who engages in the business of receiving escrows for deposit or delivery and who receives or is promised compensation, whether contingent or otherwise, for or in anticipation of performance. ORS 696.505(5) defines "escrow" as a transaction in which any written instrument, money, evidence of title to real or personal property or other thing of value is delivered, for the purpose of paying an obligation or effecting the sale, transfer, encumbrance or lease of real or personal property, to a person who does not otherwise have a right, title or interest in the real or personal property, to be held by that person as a neutral third party until a specified event happens or a prescribed condition is performed, when the written instrument, money, evidence of title or other thing of value is to be delivered by the neutral third party to a grantee, grantor, promisee, promisor, obligee, obligor, bailee, bailor or any agent or employee of any of them pursuant to the written instructions of the principals to the transaction. ORS 696.590(1)(a)(b) states: (1) Any person who violates ORS 696.511(1) may be required by the Real Estate Commissioner to forfeit and pay to the General Fund of the State Treasury a civil penalty in an amount determined by the commissioner of: (a) Not less than \$500 nor more than \$1,000 for the first offense of unlicensed professional escrow activity; and (b) Not less than \$1,000 nor more than \$3,000 for the second and subsequent offenses of unlicensed professional escrow activity.

<u>Conclusion of Law:</u> WFG acted as an escrow agent during the refinancing of Ross's home on October 16, 2020, without an active escrow agent license, in violation of ORS 696.511(1) (2019 Edition). WFG is subject to a civil penalty under ORS 696.590(1)(a)(b).

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The Agency reserves the right to investigate and pursue additional complaints that may be received in the future regarding this entity.

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STIPULATION AND WAIVER

I, WFG, have read and reviewed this Stipulated Final Order and its Findings of Fact, Statements of Law and Conclusions of Law. I understand that the Findings of Fact, Conclusions of Law and this Stipulation and Waiver of Hearing rights embody the full and complete agreement and stipulation between the Agency and WFG. I further understand that if WFG does not agree with this stipulation WFG has the right to request a Hearing on this matter and to be represented by legal counsel at such a Hearing. WFG also understands that any Hearing would be conducted in accordance with the procedures set forth in ORS Chapter 183 and in accordance with the Rules of Practice and Procedure adopted by the Attorney General of the State of Oregon. By signing this Stipulated Final Order WFG freely and voluntarily waive WFG's rights to a Hearing, to representation by legal counsel at such a Hearing, and to judicial review of this matter.

WFG hereby agrees and stipulates to the above Findings of Fact and Conclusions of Law and understand that the Order which follows hereafter, which I have also read and understand, may be completed and signed by the Real Estate Commissioner or may be rejected by the Real Estate Commissioner. I further understand that, in accordance with the provisions of ORS 696.445(3), notice of this Order shall be published in the Oregon Real Estate News Journal.

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In addition to all of the above, WFG agrees that once the Commissioner executes this 1 Stipulated Final Order, WFG will accept service of the Stipulated Final Order by email, and 2 3 hereby waive the right to challenge the validity of service. 4 **ORDER** IT IS HEREBY ORDERED that, pursuant to ORS 696.577, WFG immediately cease 5 and desist from offering to engage in or engaging in the business of an escrow agent as 6 7 defined in ORS 696.505(5) and (6) unless WFG first obtains an escrow license from the 8 Agency. The Commissioner's authority for this order is under ORS 696.577. 9 IT IF FURTHER ORDERED that, pursuant to ORS 696.585 or 696.590 and based upon the violations set forth above, WFG pay a civil penalty in the sum of \$500.00, said penalty to 10 be paid to the General Fund of the State Treasury by paying the same to the Agency. 11 12 13 IT IS SO STIPULATED: IT IS SO ORDERED: 14 15 DocuSigned by: Donald a. O'Mill Steven Strode 16 061B4EB9647495.. 17 Donald A. O'Neill Steve Strode 18 Title: Executive Vice President and Deputy Real Estate Commissioner General Counsel 19 20 WFG Lender Services Date 4/11/2022 | 2:36 PM PDT Date 4/19/2022 | 7:49 AM PDT21 22 Date of Service: 04/19/2022 23 24 25 26 27 28 29 30