



## MORTGAGE LENDER LICENSE APPLICATION PACKET

Please read instructions before completing application.

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### INSTRUCTIONS

#### MORTGAGE LENDER LICENSE APPLICATION (Form 440-2773)

- Copy this application form and keep it for renewals or amendments to your application.
- Please take the time to prepare a legible application. If we cannot read what you submit, we will return the application and it is likely that we will review your books and records prior to approving your application.
- **The licensing fee is \$825 for the main office and \$165 for each branch office. In addition, you must pay an assessment fee of \$60 for each reported loan originator to be employed by or associated with the firm to do business in this state. Applicants for an initial license are required to estimate the fee based on the number of loan originators they project will be associated with the firm in the first year. For renewals, the assessment fee will be based on the number of loan originators associated with the firm 60 days prior to the expiration date.**
- **A financial statement less than six months old must accompany the licensing application.**

#### Section 1

**Line 1:** Enter the name of the corporation, partnership, LLC, or name of the owner if a sole proprietorship.

**Line 2:** If you are doing business under an assumed business name, enter that name on line 2. You must also file the assumed business name with the Office of Secretary of State, Corporations Division. Both the name listed on line 1 and the name on line 2 must be on the surety bond exactly as they appear on the application form, and they must be exactly the same as that which is filed with the Corporations Division.

**Line 3:** The "principal" office is where the business records are maintained and the owners or control persons conduct business, even if loan applications are not originated there.

**Line 4:** If the mailing address is different from that of the principal office, enter it here. We cannot send all licenses to a central office; we will mail each branch office its own license.

**Line 5:** Enter the phone and fax numbers for the company. Enter the toll-free number, if the company has one. Enter the e-mail address for the company.

**Line 6:** The contact person is the individual responsible for responding to questions and complaints from consumers and regulators.

**Lines 7 and 8:** Indicate the type of business formation and attach copies of documents filed with the state, such as articles of incorporation, assumed business name, etc.

**Line 9:** The Oregon agent for service of process is the entity designated to receive service of legal documents on behalf of the licensee. The agent must be in Oregon and may be an attorney or a corporation in the business of serving as agent for service of process.

Be sure to indicate whether this is a new application, a renewal, addition of offices, or an amendment. You must amend your application within 30 days of the date of any significant change or at least 30 days prior to opening a new location. Any change to an item on this application is considered significant.

## **Section 2**

**Type of lending activity:** Check all the boxes that describe the business you are conducting.

**Licenses and approvals:** Check the boxes for the jurisdictions in which you are licensed or approved by a regulatory authority to conduct a mortgage-lending business. Do not check a box if you have merely filed a foreign-corporation or assumed business name application with the secretary of state or other authority. Check boxes only if you have been issued a license or certificate by a regulatory authority.

**Litigation and disciplinary history:** Complete this section for the licensed entity and have an officer, director, or owner sign on behalf of the firm. Be sure to amend this section within 30 days of an event that would initiate a yes response. You must report each event. Attach a brief description of the event or a copy of any pleadings filed against the firm.

## **Section 3**

The experienced person is the individual responsible for ensuring compliance with the rules and regulations of the State of Oregon. He or she must have negotiated and originated loans secured by a lien interest in real estate in three of the past five years. The experienced person may be an owner, officer, or director of the licensed entity. Employees who serve as experienced persons must be full-time employees and must not work on behalf of another mortgage lender. Attach a resume for the past five years. Be sure to show all employment and education and account for any periods when the person is not employed or attending school.

## **Section 4**

List each branch office from which the business will conduct Oregon transactions. Do not list the primary location. Oregon transactions are solicitations and originations into the state from another state, from Oregon into another state, and any transaction in which a loan is secured by a lien interest in real estate located in Oregon. Do not list branch offices that do not conduct Oregon transactions. Copy the form or attach additional sheets if there are more than three branch offices.

## **Section 5**

Each officer, director, and owner and/or partner of more than 10 percent of the company must supply the information requested in Section 5. If the applicant is a public company, contact the Mortgage Lender Section to discuss which officers and directors should complete the form. If you do not account for 100 percent of ownership, attach an explanation (e.g., remaining owners own less than 10 percent.)

## **Section 6**

Supply the information requested in Section 6 for each of the company's loan originators. Copy as needed to list all persons originating Oregon residential mortgages.

### **Corporate and assumed business name filings**

All applicants for a mortgage lender license are required to file their business name and all assumed business names with the Corporation Division of the Oregon Office of Secretary of State through its Web site at [www.filinginoregon.com](http://www.filinginoregon.com) or phone (503) 986-2200.

Submit copies of all filings with the Office of Secretary of State with your application.

### **Financial statements**

You must submit annual financial statements (balance sheet and profit and loss), which you may prepare internally. If the financial statement is more than six months old, you must also submit a year-to-date financial statement current through the most-recent month's end. If you are making an initial application and are a start-up business, submit the financial information the surety company required for your surety bond.

### **Primary license copy (from state other than Oregon)**

Submit a copy of the license issued by the regulatory authority in the state of your primary location.

### **SURETY BOND (Form 440-2775)**

Included in the packet is a surety bond form that you must submit with your application. If you have only one licensed location, the bond amount is \$25,000. If you have one or more licensed branches from which you will make Oregon transactions, the bond must be increased by \$5,000 for each branch up to a maximum of \$50,000. Give the form to your insurance agent. When the surety returns the form to you, sign it and submit the original with your application. Be sure the surety has attached a power-of-attorney form to the bond.

### **AFFIDAVIT AND UNDERTAKING – NO CLIENTS' TRUST ACCOUNT (Form 440-2776), OR NOTICE OF CLIENTS' TRUST ACCOUNT AND AUTHORIZATION TO EXAMINE (Form 440-2777)**

Oregon law requires that a licensee establish a clients' trust account with an Oregon financial institution.

Some applicants do not accept any money from borrowers other than at the time of closing. If you do not receive money from borrowers, no account is required, and you may submit the Affidavit and Undertaking – No Clients' Trust Account in lieu of establishing the account.

Do not complete the affidavit if you accept funds and have established a clients' trust account; instead, complete the Notice of Clients' Trust Account and Authorization to Examine.

### **MAILING INSTRUCTIONS**

**If no fee is enclosed, mail the completed application materials to Oregon Division of Finance and Corporate Securities, Mortgage Lender Section, P.O. Box 14480, Salem, OR 97309-0405.**

If a fee is enclosed, send the application materials and fee to Oregon Division of Finance and Corporate Securities, DCBS Fiscal Services, P.O. Box 14610, Salem, OR 97309-0445.

### **CHECKING APPLICATION STATUS**

Please wait 15 days before inquiring about the status of your application.

## **MORTGAGE LENDER Q & A**

Q: In addition to the mortgage lender law, are there other laws that apply to licensed mortgage lenders?

A: There are at least two other laws that persons who originate or make mortgage loans need to be aware of.

**Chapter 82** limits the amount of interest that can be charged by a lender for loans under \$50,000 that are secured by a second trust deed. There are a number of exemptions for lenders, and they are listed in the law.

**Chapter 86** deals with mortgages and liens and requires some specific disclosures relating to prepayment penalties, among other requirements.

The laws are available on our Web site: <http://dfcs.oregon.gov>, click on “Administrative Rules and Statutes.”

Q: I read Chapter 82 and saw an exemption for Consumer Finance Act licensees. Can I apply for that license so I can make second-mortgage loans under \$50,000 and charge enormous rates of interest?

A: The division will not license persons under the Consumer Finance Act just to permit them to charge high interest on second-mortgage loans. The division expects a Consumer Finance Act licensee to make a variety of loans, including signature loans, loans secured by personal property, and loans secured by real property. If mortgage lenders need exemption under Chapter 82, they can qualify for one of the other exemptions, such as HUD approval.

Q: Does Chapter 82 apply to both bankers and brokers?

A: Chapter 82 applies to the named lender. Brokers are not prohibited from originating a second-mortgage loan at rates exceeding 12 percent. However, the named lender on the loan documents must comply with those provisions.

Q: Who can interpret Chapter 82 and Chapter 86 for me?

A: Consult with an Oregon attorney. These statutes are not administered by any agency of state government. The Financial Fraud Section of the Department of Justice processes consumer complaints, but it does not interpret the statutes.

All licensees are required to comply with Oregon mortgage lender law, ORS 59.840 through 59.996, and Oregon Administrative Rules 441-850-0005 through 441-885-0010.

You may access these and other laws at the Division of Finance and Corporate Securities Web site, <http://dfcs.oregon.gov>.

**A POLICY STATEMENT FROM DIVISION OF FINANCE AND CORPORATE SECURITIES  
ADMINISTRATOR DAVID C. TATMAN**

**Statement of Need**

The purpose of this policy statement is to clarify the division's policy against permitting or requiring consumers to sign promissory notes and trust deeds prior to the loan's final approval.

Oregon consumers have been harmed by lenders who permit or require consumers to sign promissory notes and trust deeds prior to a loan's final approval. In some cases, lenders have recorded trust deeds before they approved the loan, and then did not approve or fund the consumer's loan. In a few instances, it has taken up to six months to get the recorded trust deed released and the consumers were unable to refinance until the existing lien was removed. This is a misleading or deceptive practice prohibited by ORS 59.865(2) and 59.930 and may result in the suspension, revocation, or denial of a license in addition to administrative sanction.

**Policy**

Requiring or permitting consumers to sign promissory notes and trust deeds prior to final approval of a loan is an unfair and unethical practice constituting grounds for denial, suspension, or revocation of a mortgage lender license. Lenders should provide a written loan approval with the repayment terms of the loan fully disclosed prior to the time the consumer signs the loan documents.

Lenders may not record trust deeds until they are prepared to fund the fully approved loan. Lenders should release loan funds to the borrower or the borrower's approved representative, such as a closing attorney or escrow agent, on the day of recording but no later than 24 hours following the recording.

For purposes of this policy, "lender" includes both mortgage brokers and mortgage bankers.



## MORTGAGE LENDER LICENSE APPLICATION CHECKLIST

Applicant name: \_\_\_\_\_

*Please return this checklist with your application.*

**Initial applicants:**

- Application form, all areas completed, signed, and dated, including Section 6 – Loan Originator Information for any person originating Oregon residential mortgages.
- Financial statement less than six months old (balance sheet and profit and loss).
- Copies of all filing(s) made with the Office of Secretary of State, including foreign-corporation filings, and assumed business names. Please see instructions.
- Fee for main office (\$825) and for each additional office (\$165 per office), plus a fee of \$60 for each loan originator to be employed by or associated with the firm to do business in this state in the first year.
- Original surety bond (Form 440-2775), dated and signed by both the principal and surety.
- Estimated count of loan originators.

**EITHER**

- Executed affidavit and undertaking (Form 440-2776), if you do not take client funds before closing
- or
- A notice of clients' trust account and authorization to examine (Form 440-2777).
- A copy of the license issued by the regulatory authority in the state of your primary location, if other than Oregon.

**Renewal applicants:**

- Application form, all areas completed, signed, and dated, including Section 6 – Loan Originator Information for any person originating Oregon residential mortgages.
- Financial statement less than six months old (balance sheet and profit and loss).
- Fee for main office (\$825) and for each additional office (\$165 per office), plus a fee of \$60 for each loan originator associated with the firm 60 days prior to the expiration date.

Additional considerations for renewal applicants:

Comments:

- Is your filing(s) current with the Office of Secretary of State, i.e., Business name and all assumed business names?
- Is your bond premium paid?
- Have you changed the way you handle client funds (i.e., new bank account, not taking client funds any longer, accepting client funds)?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Please update, as needed.



## MORTGAGE BROKER OR MORTGAGE BANKER LICENSE APPLICATION

Date: \_\_\_\_\_ License no.: **ML** - \_\_\_\_\_

### Section 1 — Company Information

Check all that apply:  Mortgage banker  Mortgage broker

1. Name of applicant: \_\_\_\_\_
2. Name doing business as, if different: \_\_\_\_\_
3. Location of principal place of business: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_
4. Mailing address, if different: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_
5. Phone number: ( ) \_\_\_\_\_ Fax number: ( ) \_\_\_\_\_  
 Toll-free phone number: ( ) \_\_\_\_\_ E-mail: \_\_\_\_\_
6. Name of contact person: \_\_\_\_\_ Title: \_\_\_\_\_
7. Business formation:  Corporation  Partnership  Sole proprietorship  Other: \_\_\_\_\_
8. Date of formation: \_\_\_\_\_ State of formation: \_\_\_\_\_
9. Name of Oregon agent for service of process: \_\_\_\_\_  
 Address of Oregon agent for service of process: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_
10. Estimated count of loan originators: \_\_\_\_\_

Mark appropriate box:  New application (one-year term) PCA 61240/1001  Amendment to application  
 Renewal application (two-year term) PCA 61240/1007  Additional loan originators

<input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> Discover	Phone: ( ) _____
Credit card number	/
Name of cardholder as shown on credit card	Expiration date
Cardholder signature	\$ _____
	Amount

**Division of Finance and Corporate Securities.** If paying by credit card, applicant must sign credit card information box.

**Mail application with payment to:**

DCBS Fiscal Services  
 P.O. Box 14610  
 Salem, OR 97309-0405

Fiscal use only: New: 61240/1001; Renewal: 61240/1007

**Section 2 — Type of lending activity**

- Check all that apply:
- |   |  |
|---|--|
| <input type="checkbox"/> Commercial mortgage loans                | <input type="checkbox"/> Mortgage banker                     |
| <input type="checkbox"/> Construction or short-term bridge loans  | <input type="checkbox"/> Mortgage broker                     |
| <input type="checkbox"/> First-position mortgages                 | <input type="checkbox"/> Purchase-money mortgage loans       |
| <input type="checkbox"/> Home-equity lines of credit              | <input type="checkbox"/> Residential mortgage loans          |
| <input type="checkbox"/> Home-improvement mortgage loans          | <input type="checkbox"/> Second- and inferior-position loans |
| <input type="checkbox"/> Loans funded with private investor money | <input type="checkbox"/> Table-funded loans                  |
| <input type="checkbox"/> Internet (supply URL): _____             |  |
| <input type="checkbox"/> Other (describe): _____                  |  |

**Licenses and approvals**

Check each jurisdiction in which you are licensed or registered to conduct a mortgage-lender business.

- |   |   |  |   |  |
|---|---|--|---|--|
| <input type="checkbox"/> All 50 states        | <input type="checkbox"/> All in this list | <input type="checkbox"/> HUD           |   |  |
| <input type="checkbox"/> Alabama              | <input type="checkbox"/> Hawaii           | <input type="checkbox"/> Michigan      | <input type="checkbox"/> North Carolina | <input type="checkbox"/> Texas         |
| <input type="checkbox"/> Alaska               | <input type="checkbox"/> Idaho            | <input type="checkbox"/> Minnesota     | <input type="checkbox"/> North Dakota   | <input type="checkbox"/> Utah          |
| <input type="checkbox"/> Arizona              | <input type="checkbox"/> Illinois         | <input type="checkbox"/> Mississippi   | <input type="checkbox"/> Ohio           | <input type="checkbox"/> Vermont       |
| <input type="checkbox"/> Arkansas             | <input type="checkbox"/> Indiana          | <input type="checkbox"/> Missouri      | <input type="checkbox"/> Oklahoma       | <input type="checkbox"/> Virginia      |
| <input type="checkbox"/> California           | <input type="checkbox"/> Iowa             | <input type="checkbox"/> Montana       | <input type="checkbox"/> Oregon         | <input type="checkbox"/> Washington    |
| <input type="checkbox"/> Colorado             | <input type="checkbox"/> Kansas           | <input type="checkbox"/> Nebraska      | <input type="checkbox"/> Pennsylvania   | <input type="checkbox"/> West Virginia |
| <input type="checkbox"/> Connecticut          | <input type="checkbox"/> Kentucky         | <input type="checkbox"/> Nevada        | <input type="checkbox"/> Puerto Rico    | <input type="checkbox"/> Wisconsin     |
| <input type="checkbox"/> Delaware             | <input type="checkbox"/> Louisiana        | <input type="checkbox"/> New Hampshire | <input type="checkbox"/> Rhode Island   | <input type="checkbox"/> Wyoming       |
| <input type="checkbox"/> District of Columbia | <input type="checkbox"/> Maine            | <input type="checkbox"/> New Jersey    | <input type="checkbox"/> South Carolina | <input type="checkbox"/> Other: _____  |
| <input type="checkbox"/> Florida              | <input type="checkbox"/> Maryland         | <input type="checkbox"/> New Mexico    | <input type="checkbox"/> South Dakota   |  |
| <input type="checkbox"/> Georgia              | <input type="checkbox"/> Massachusetts    | <input type="checkbox"/> New York      | <input type="checkbox"/> Tennessee      |  |

**Litigation and disciplinary history**

- In the 10 years immediately preceding the date of this application, has the firm been the subject of any civil action (including suits filed in civil court, administrative actions initiated by a state or subdivision of a state or by the United States government or any agency of the United States government, arbitration or alternative dispute-resolution proceedings) involving allegations of financial misconduct and compensatory damages of \$10,000 or more? .....  Yes  No
- Are there any pending civil actions (including suits filed in civil court, administrative actions initiated by a state or subdivision of a state or by the United States government or any agency of the United States government, arbitration or alternative dispute-resolution proceedings) involving allegations of financial misconduct and compensatory damages of \$10,000 or more? .....  Yes  No
- In the 10 years immediately preceding the date of this application, has the firm filed for or declared bankruptcy? .....  Yes  No

If the answer to any of the above questions is yes, provide case name, number, status, and a brief description of the allegations on a separate page.

**Section 3 — Experienced person information**

Name of mortgage banker, mortgage broker, managing partner, or executive officer who has experience as a mortgage banker or mortgage broker or other experience in a related business during three of the past five years.

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Phone: ( ) \_\_\_\_\_ Fax: ( ) \_\_\_\_\_

**Employment history**

Attach resume, which includes employment history for the past five years. List each employer showing name, address, position, start date, end date, and reason for leaving.

In addition, complete Section 5 – AFFILIATED PERSON INFORMATION, form 440-2494.

**Section 4 — Branch office information (do not include primary location)**

Location name: \_\_\_\_\_  
Supervisor name: \_\_\_\_\_ Phone: ( ) \_\_\_\_\_ Fax: ( ) \_\_\_\_\_  
Street address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Location name: \_\_\_\_\_  
Supervisor name: \_\_\_\_\_ Phone: ( ) \_\_\_\_\_ Fax: ( ) \_\_\_\_\_  
Street address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Location name: \_\_\_\_\_  
Supervisor name: \_\_\_\_\_ Phone: ( ) \_\_\_\_\_ Fax: ( ) \_\_\_\_\_  
Street address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Copy and attach additional sheets if needed.

I certify that the information provided in this application is current, accurate, and complete.

Date: \_\_\_\_\_ Title: \_\_\_\_\_  
Name: \_\_\_\_\_ Signature: \_\_\_\_\_

**Oregon Department of Consumer & Business Services  
Division of Finance & Corporate Securities**

350 Winter St. NE, Rm. 410, Salem, Oregon 97301-3881  
Mailing address: P.O. Box 14480, Salem, OR 97309-0405  
(503) 378-4140 • Fax: (503) 947-7862 • TTY: (503) 378-4100  
http://dfcs.oregon.gov



**SECTION 5 – AFFILIATED PERSON INFORMATION**

This section is to be completed by each director, officer, owner of 10 percent or more of a corporation, and/or all owners of an unincorporated business. Copy this page for each person.

Name: \_\_\_\_\_ Position or title: \_\_\_\_\_  
 Home address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_  
 Home phone: (    ) \_\_\_\_\_  
 Date of birth: \_\_\_\_\_ Social Security number    -    -    \_\_\_\_\_  
 Director                       Officer                       Owner                      \_\_\_\_\_ % ownership

**Employment history for the past 10 years**

<i>Employer name and address</i>	<i>Position</i>	<i>Start date</i>	<i>End date</i>	<i>Reason for leaving</i>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Attach additional sheets, as needed.

- In the 10 years preceding the date of this application, have you been convicted of a felony or a misdemeanor of which an essential element was fraud? .....  Yes     No
- Are there any pending felony charges or misdemeanor charges of which an essential element is fraud, or any felony charges?.....  Yes     No
- In the 10 years immediately preceding the date of this application, have you been the subject of any civil action (including suits filed in civil court, administrative actions initiated by a state or subdivision of a state or by the United States government or any agency of the United States government, arbitration or alternative dispute-resolution proceedings) involving allegations of financial misconduct and compensatory damages of \$10,000 or more? .....  Yes     No
- Are there any pending civil actions (including suits filed in civil court, administrative actions initiated by a state or subdivision of a state or by the United States government or any agency of the United States government, or arbitration or alternative dispute-resolution proceedings) involving allegations of financial misconduct and compensatory damages of \$10,000 or more?.....  Yes     No
- In the 10 years immediately preceding the date of this application, have you filed for or declared bankruptcy?...  Yes     No

If the answer to any of the above questions is yes, provide case name, number, status, and a brief description of the allegations on a separate page.

I certify that the information provided is current, accurate, and complete.

Date: \_\_\_\_\_ Title: \_\_\_\_\_  
 Name: \_\_\_\_\_ Signature: \_\_\_\_\_



## SECTION 6 – LOAN ORIGINATOR INFORMATION

This form is available online at [www.oregonimla.org](http://www.oregonimla.org) and may be used for additions, modifications, and terminations. You may submit the online version of this form electronically; you do not need to mail or fax it. To obtain a PIN for your firm, please contact mortgage lending support staff, (503) 378-4140.

Complete this section for each loan originator. Copy this form as needed. Loan originator's Social Security number is optional if you provide a complete, detailed physical description of the loan originator, including height, weight, eye and hair color, and a description of physical characteristics such as birthmarks and tattoos.

Employer name: \_\_\_\_\_ License no.: \_\_\_\_\_

Operates out of branch located at: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

### LOAN ORIGINATOR

Name: \_\_\_\_\_

Date began originating Oregon loans for this employer: \_\_\_\_\_

Home address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Home phone: \_\_\_\_\_ E-mail address: \_\_\_\_\_

Social Security number: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Date of birth: \_\_\_\_\_

### OWNER/CONTROL PERSON CERTIFICATION

	Yes	No
Does the originator work as a loan originator for any other company?	<input type="checkbox"/>	<input type="checkbox"/>
Has the originator failed to meet any initial or continuing-education and test requirements?	<input type="checkbox"/>	<input type="checkbox"/>
Has the originator engaged in any activity prohibited by Oregon mortgage lender law?	<input type="checkbox"/>	<input type="checkbox"/>
Has a criminal-records check been conducted?	<input type="checkbox"/>	<input type="checkbox"/>

**Employer's notification requirements (OAR 441-880-0030(2)):** Within 30 days of a person starting to function as a loan originator or ending function as a loan originator, the employer must notify the director by amending its licensee application in a form approved by the director.

**The following section must be signed by a duly authorized key officer, member, partner, or owner of the mortgage banker or mortgage broker.**

**I certify that the information provided on this page is current, accurate, and complete.**

Signed: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_



## MORTGAGE LENDER SURETY BOND

Bond no.: \_\_\_\_\_

\_\_\_\_\_, as principal, has applied to the Department of Consumer and Business Services, Division of Finance and Corporate Securities, for a license as a mortgage broker or mortgage banker under ORS 59.840 through 59.980 and is required by ORS 59.850 to furnish a bond in the sum of \$ \_\_\_\_\_, and \_\_\_\_\_, as surety, a \_\_\_\_\_ corporation authorized to transact a surety insurance in the state of Oregon, is obligated to the State of Oregon for the use and benefit of any interested person the sum of \$ \_\_\_\_\_.

If the principal and its agents and employees comply with the provisions of ORS 59.840 through 59.980, this obligation shall be void. If the principal or its agents or employees violate any provisions of ORS 59.840 through 59.980 and fail to pay all damages suffered by any person due to violation of the statute, the surety is obligated to pay damages suffered as a result of the violations up to \$ \_\_\_\_\_.

The bond becomes effective on the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, and shall remain in force until the Department of Consumer & Business Services, Division of Finance and Corporate Securities, releases the surety from liability, or until the surety cancels this letter.

The surety may cancel this bond and be relieved of further liability hereunder by giving 30 days' written notice to the principal and to the Department of Consumer & Business Services, Division of Finance and Corporate Securities, 350 Winter St. NE, Room 410, Salem, Oregon 97301-3881.

This bond shall be one continuing obligation, and the liability of the surety for the aggregate of any and all claims that may arise shall not exceed \$ \_\_\_\_\_.

The surety and its heirs, personal representatives, successors, and assigns, and the principal and its heirs, personal representatives, successors, and assigns, by this agreement bind themselves jointly and severally to the State of Oregon.

Principal: \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Surety: \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Oregon Department of Consumer & Business Services  
Division of Finance & Corporate Securities**

350 Winter St. NE, Rm. 410, Salem, Oregon 97301-3881  
Mailing address: P.O. Box 14480, Salem, OR 97309-0405  
(503) 378-4140 • Fax: (503) 947-7862 • TTY: (503) 378-4100  
<http://dfcs.oregon.gov>



**AFFIDAVIT AND UNDERTAKING – NO CLIENTS’ TRUST ACCOUNT**

1. (Applicant name): \_\_\_\_\_ (hereinafter “the firm”) has made application to the Division of Finance and Corporate Securities of the Department of Consumer and Business Services (hereinafter “DFCS”) to be licensed to conduct business pursuant to the provisions of ORS 59.840 through 59.996.
2. I am an officer, director, or principal shareholder of the firm and authorized to act on behalf of the firm.
3. ORS 59.840 through 59.996 provides that all persons licensed pursuant to its provision establish and maintain a Clients’ Trust Account into which all funds received from clients shall be deposited.
4. The funds required to be deposited into the clients’ trust account include but are not limited to:
  - a) All funds received by the firm or persons authorized to act on behalf of the firm from or on behalf of a client for payment of services to be provided by persons other than the firm in connection with processing, arranging, or making a mortgage banking loan or mortgage loan;
  - b) All funds received by the firm or person authorized to act on behalf of the firm from or on behalf of a borrower for payment of principal, interest, or taxes on a mortgage banking loan or mortgage loan; and
  - c) All funds received by the firm or persons authorized to act on behalf of the firm from or on behalf of a client for payment of services to be provided by the firm in connection with processing, arranging, or making a mortgage banking loan or mortgage loan by the firm, except for those funds received by a licensee on a nonrefundable basis under the provision of OAR 441-875-0030.
5. The firm does not receive any funds described in Paragraph 4 prior to closing in escrow and therefore has no use for a Clients’ Trust Account.
6. The firm agrees to establish a Clients’ Trust Account prior to accepting any of the funds described in Paragraph 4 of this undertaking and to notify DFCS of the establishment of the account and to otherwise comply with ORS 59.935 and 59.940 and OAR 441-875-0010 through 441-875-0040 relating to client trust accounts.

The undersigned person, under penalty of perjury, declares that he or she signs this undertaking on behalf of the firm indicated and that he or she occupies the official position indicated and is authorized to sign this document on behalf of the firm.

Firm name: \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Sworn and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

Notary public for the state of \_\_\_\_\_ My commission expires \_\_\_\_\_

Notary public signature: \_\_\_\_\_

Notary public seal:



## NOTICE OF CLIENTS' TRUST ACCOUNT

TO:  
Bank name: \_\_\_\_\_

Bank address: \_\_\_\_\_

Under the provisions of ORS Chapter 59.840 through 59.996, I am the mortgage (check one)  banker  broker for  
(name of licensee) \_\_\_\_\_ .

Further, under ORS Chapter 59.935(2), I am required to maintain in Oregon a clients' trust account for the purpose of holding funds belonging to others.

With regard to the account(s) numbered \_\_\_\_\_ ,  
which is(are) designated as a clients' trust account, the account(s) is(are) maintained with you as a depository for money belonging to persons other than myself and in my fiduciary capacity as a mortgage (check one)  banker  broker established by client agreements in separate documents.

Date: \_\_\_\_\_ Title: \_\_\_\_\_

Name: \_\_\_\_\_ Signature: \_\_\_\_\_

### Acknowledgement of Receipt

I, (name) \_\_\_\_\_ , a duly authorized representative of  
(financial institution name) \_\_\_\_\_ , do hereby acknowledge receipt  
of the Notice of Clients' Trust Account on (date) \_\_\_\_\_ .

Date: \_\_\_\_\_ Title: \_\_\_\_\_

Name: \_\_\_\_\_ Signature: \_\_\_\_\_

## AUTHORIZATION TO EXAMINE CLIENTS' TRUST ACCOUNT

Name of licensee: \_\_\_\_\_ Account number: \_\_\_\_\_

Financial institution: \_\_\_\_\_ Branch location: \_\_\_\_\_

Pursuant to the requirements for licensing contained in ORS 59.935(3), I hereby authorize the director of the Department of Consumer & Business Services to examine the account noted above, which is the Clients' Trust Account for the financial institution named.

Person authorized to sign on behalf of licensee:

Date: \_\_\_\_\_ Title: \_\_\_\_\_

Name: \_\_\_\_\_ Signature: \_\_\_\_\_