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## State issues fines, orders in mortgage fraud case

(Salem) — In an ongoing effort to increase enforcement of mortgage lending laws, the Oregon Department of Consumer and Business Services levied fines against a mortgage broker and one of its employees for unethical and fraudulent behavior.

The department fined mortgage broker Column One Properties LLC of Lake Oswego \$5,000 for failure to supervise and loan originator Preston Hayes \$5,000 for unethical practices and fraud. As a loan originator for Column One, Hayes signed a borrower's name to several loan application disclosure documents and submitted the documents to the lender. Hayes did not notify the lender that he had signed the borrower's name on the documents.

The department suspended some of the fines (\$2,500 for Column One and \$3,500 for Hayes) provided the parties comply with the terms of the orders and do not violate the Oregon mortgage lender laws. The division prohibited Hayes from owning, operating, and acting as a loan originator with an Oregon licensed mortgage broker until further order of the director of the Department of Consumer and Business Services. Both Column One and Hayes entered into the agreements without admitting or denying the findings and conclusions of the order. Column One surrendered its Oregon mortgage broker's license in February 2008 and dissolved and ceased operations.

"Mortgage brokers must be held accountable for supervising their employees," said David Tatman, administrator of the department's Division of Finance and Corporate Securities. "Professional responsibility at all levels of the mortgage lending industry is not optional. It is required."

With additional staff provided by the 2008 Legislature, the Department of Consumer and Business Services has stepped up its enforcement efforts to better protect Oregonians from mortgage fraud and ensure lenders are following the law. In 2008, the department issued sanctions in 49 mortgage lending cases, including fines totaling \$278,500 and 11 cases in which it revoked a license or prohibited an individual from conducting mortgage business in Oregon.

The Division of Finance and Corporate Securities can help investors find licensing, registration, and enforcement history information on individuals, companies, and securities products. For more information, call toll-free at 866-814-9710, 503-378-4140 in Salem, or go to [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).

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