

1 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
2 DIVISION OF FINANCE AND CORPORATE SECURITIES
3 BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
4 STATE OF OREGON

4 In the Matter of:) O-94-0044
5 HOME LENDING ASSOCIATES, INC. and)
6 HOME LENDING MORTGAGE ASSOCIATES, INC.) FINAL ORDER BY DEFAULT
7 Respondent.)

8 On January 26, 1995 the Director of the Department of Consumer and
9 Business Services for the state of Oregon issued an Order containing Findings of
10 Fact and Conclusions of Law; Order to Cease and Desist; Order Assessing Civil
11 Penalties; and Notice of Right of Hearing. In the Order, **RESPONDENT HOME**
12 **LENDING ASSOCIATES, INC. and HOME LENDING MORTGAGE ASSOCIATES, INC.** was advised
13 of their right to a hearing, and that such hearing would be held if written
14 demand for such hearing was filed within 20 days after service of the Order.
15 **RESPONDENT** was sent a certified true copy of the Order on January 27, 1995 by
16 certified mail. The attorneys for **RESPONDENT** were also sent certified true
17 copies of the Order on January 17, 1995 by certified mail. No request for
18 hearing has ever been received.

19 **NOW THEREFORE**, after consideration of the Investigation Report and
20 accompanying exhibits prepared by Patricia E. Russell in this matter, the
21 Director hereby issues the following Final Order, Findings of Fact and
22 Conclusions of Law:

23 **FINDINGS OF FACT**

24 The Director **FINDS** that:

25 1. **HOME LENDING ASSOCIATES INC.** is a Washington corporation filed on
26 November 6, 1990 and currently inactive. David E. Zehm, 1319 Whitworth Street,

1 Renton, Washington 98055 is listed as the Registered Agent.

2 2. Oregon Corporation records show **HOME LENDING ASSOCIATES, INC.** filed on
3 July 22, 1993 as a foreign corporation and voluntarily withdrew on February 24,
4 1994. CT Corporation System, 800 Pacific Building, Portland, Oregon 97204 is
5 listed as the registered agent. David E. Zehm, 950 Andover Park East, Suite 16,
6 Tukwila, Washington 98188-7671 is listed as the president.

7 3. **HOME LENDING MORTGAGE ASSOCIATES, INC.** is a Washington corporation
8 filed on February 25, 1992. It is currently active. The registered agent is
9 listed as J. Grahame Bell, 800 Fifth Avenue, Suite 125, Seattle, Washington
10 98104.

11 4. **HOME LENDING MORTGAGE ASSOCIATES, INC.** is an Oregon Corporation filed
12 February 24, 1994. It is currently active. CT Corporation System, 800 Pacific
13 Building, Portland, Oregon 97204 is listed as the registered agent.

14 5. On February 24, 1994 an application to become licensed as a mortgage
15 broker was received in the office of the Division of Finance and Corporate
16 Securities by **HOME LENDING MORTGAGE ASSOCIATES, INC.** located at 6655 SW Hampton,
17 Suite 120, Portland, Oregon 97223. Michael D. Culver was listed as the contact
18 person and president. Culver stated in the application that he was the vice
19 president of **HOME LENDING ASSOCIATES, INC.** located at 950 Andover Park, East
20 #16, Tukwila, Washington 98188. The \$500 check to cover the application fees
21 was issued by **HOME LENDING ASSOCIATES, INC.** The application was incomplete in
22 that it did not include the required \$10,000 Oregon surety bond, Client Trust
23 Account, or financials.

24 6. **HOME LENDING MORTGAGE ASSOCIATES, INC. AND HOME LENDING ASSOCIATES,**
25 **INC. (hereinafter RESPONDENT)** are known to conduct business as a mortgage broker
26 at 950 Andover Park E., Suite 16, Tukwila, Washington 98188 and at 6655 SW

1 Hampton, Suite 120, Portland, Oregon 97223.

2 7. On June 23, 1994 information was received from Gary Fisher (Fisher), a
3 certified appraiser, that he had been hired by RESPONDENT to appraise 32
4 properties located in Oregon on behalf of RESPONDENT'S clients who had applied
5 for home mortgage loans. Fisher states he was never paid for these appraisals
6 and that RESPONDENT owes him \$13,000.

7 8. On June 24, 1994 information was received from Robin Buckles
8 (Buckles), an Oregon certified appraiser, that during February, March and April
9 of 1994 he had been hired by RESPONDENT to appraise properties on behalf of
10 RESPONDENT'S clients who had applied for home mortgage loans. Buckles has not
11 been paid by RESPONDENT for these appraisals. Buckles sent to the office of the
12 Oregon Division of Finance and Corporate Securities, copies of 21 invoices
13 showing the names of the borrowers, the property location of those appraisals
14 ordered by RESPONDENT, and an outstanding balance totaling \$7,975 owed to
15 Buckles by RESPONDENT. All the properties had Oregon addresses.

16 9. Documents received from Fidelity National Title Company (Fidelity)
17 show 20 loans submitted by RESPONDENT for closure through Fidelity. Fidelity
18 was instructed by RESPONDENT to charge RESPONDENT'S clients, \$400 for appraisal
19 fees and \$85 for credit check fees at the time of closing. These fees were
20 deducted from the total amount being loaned by the lender to the borrower.
21 Fidelity drafted a check for these fees in the name of RESPONDENT with the
22 notation on the check that they were for payment of appraisal and credit check
23 fees.

24 10. On or about January 11, 1995 Standard Federal Bank submitted a list
25 containing 233 names and loan amounts of Oregon residents who had received
26 funding from Standard Federal Bank between January 1, 1994 and October 21,

