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## **NEWS RELEASE**

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### **UTAH COMPANIES SUED FOR IDAHO MORTGAGE PRACTICES LAW VIOLATIONS**

Boise, Idaho . . . Gavin M. Gee, Director of the Idaho Department of Finance, announced today the filing of a civil lawsuit in Seventh District Court in Idaho Falls against two firms and an individual alleged to have violated the Idaho Residential Mortgage Practices Act. The defendants are: Stoneridge Mortgage Corporation, a Utah corporation located in American Fork, Utah, and Express Equity, a Utah limited liability company located in Pleasant Grove, Utah and its owner, Dan Sorenson. Express Equity is a mortgage brokering company and Stoneridge Mortgage is a mortgage lender.

The two-count complaint alleges that the defendants engaged in unlicensed mortgage brokering and lending activities involving a residential mortgage transaction in Idaho. The lawsuit stems from a transaction in which defendant Sorenson is alleged to have agreed to broker a thirty year mortgage for a borrower purchasing property in Ucon, Idaho. At closing, the borrower discovered that the loan secured from defendant Stoneridge was not a thirty year loan but rather a 90 day loan with an annual percentage rate of over 67%.

The Department's suit asks the Court to permanently enjoin the defendants from engaging in future violations of the Idaho Residential Mortgage Practices Act. It further seeks restitution for excessive charges and actual damages incurred by the Idaho borrower, as well as costs and civil penalties.

This is the first civil injunctive action brought by the Department under the Idaho Residential Mortgage Practices Act which went into effect July 1, 1996. The law gives the Department of Finance the responsibility for licensing and regulating the mortgage activities of mortgage bankers and mortgage brokers. Numerous provisions of the new Act are designed to protect consumers from unfair or deceptive practices by mortgage brokers and mortgage lenders while seeking a mortgage loan.

The Department urges Idaho residents to contact the Department toll-free at 1-888-346-3378 to assure that they are dealing with a licensed mortgage professional.