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NEWS RELEASE

For Immediate Release

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MORTGAGE COMPANY ORDERED TO CEASE AND DESIST VIOLATIONS

Boise, Idaho ... Gavin Gee, Director of the Idaho Department of Finance, today announced that a Cease and Desist Order has been issued against Weststar Home Mortgage, Inc. and its owner, Jeff Rynearson, both of Boise, for having violated the new Idaho Residential Mortgage Practices Act.

In the Order the Director found that Weststar and Rynearson had conducted mortgage brokering activities without a license since July 1, 1996, the effective date of the new Act. Mortgage brokering activities are defined as including accepting applications for residential mortgage loans, assisting in the preparation of an application, or negotiating the term of a loan with a lender. The order directs Weststar and Rynearson to immediately cease conducting mortgage brokering activities without a license.

The Cease and Desist Order is the first enforcement action taken under the new Act. 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. Among the specific practices prohibited by the Act are:

- requiring a borrower to pay any fees other than those set forth in the statute prior to closing the mortgage loan;
- accepting any fees at closing which were not previously disclosed fully to the borrower;
- delaying closing of a residential mortgage loan for the purpose of increasing interest, costs, fees or charges payable by the borrower;
- making any payment, directly or indirectly, to any kind of in-house or fee appraiser for the purpose of influencing the independent judgment of the appraiser;
- obtaining any agreement or instrument in which blanks are left to be filled in after execution; and

- engaging in any misrepresentation in connection with a residential mortgage loan.

Idaho is among 42 states which oversee the activities of mortgage brokers and mortgage bankers. To date, the Department of Finance has licensed 336 mortgage brokers and mortgage bankers. Consumers are encouraged to check with the Department to ensure they are dealing only with licensed mortgage brokers and bankers.

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