



Washington State Department of Financial Institutions

Division of Consumer Services

WINTER 2024 UPDATE

The Division of Consumer Services continues to ensure companies are acting in compliance with existing rules and regulations through internal and external collaborative efforts. Consumer Services strives to keep regulation efficient for the industries we regulate while continuing to protect consumers. In September 2023, Ali Higgs was appointed as Acting Director following the retirement of former Director of Consumer Services, Cindy Fazio.

Stats At A Glance April - December 2023

Number of Licensees	Exams Conducted	Enforcement Actions
Mortgage Brokers 382	Check Casher 4	Complaints Received 819
Loan Originators 24,702	Money Transmitter 64	Complaints Closed 813
Check Cashers and Sellers 84	Mortgage Broker 92	Enforcement Actions Issued 52
Consumer Loan Companies 1,005	Mortgage Origination 147	Investigations Opened 45
Money Transmitters 256	Escrow 17	Investigations Closed 54
Escrow Agents 38		
Payday Lenders 11		

*This information was pulled specifically for this report and may be subject to change.

POLICY STATEMENT REGARDING VIRTUAL CURRENCY KIOSKS

In January 2024, Consumer Services issued a [policy statement](#) to virtual currency kiosk operators clarifying that prior to initiating a transaction, virtual currency kiosk operators must provide consumers with a separate disclosure clearly stating that once money or virtual currency has been sent, the money or virtual currency is gone, even if the consumer is a victim of a scam. Consumer Services also posted a [consumer alert](#) with helpful information so that consumers can continue to stay informed about current scams.

LICENSING UPDATE

In 2023, the CS Licensing Unit approved more than 4,700 licenses, reviewed several thousand criminal background checks, and directly assisted hundreds of companies in maintain their license as their company underwent changes.

The total number of licensees is stabilizing for Consumer Services after soaring in recent years due to low mortgage rates and growth in the money services industry. As of Dec. 31, 2023, the Division licensed nearly 30,000 companies, branches, and individuals. Despite rising interest rates, this was the largest growth in licensees in the mortgage industry. Consumer Loan Company licensees topped 1,000, a roughly 5.5% increase, and Mortgage Broker licensees grew nearly 5%. The number of Mortgage Loan Originator licensees declined nearly 27% with most of those allowing their license to expire in early 2023 due to nonrenewal.

EXAMS UPDATE

The Division of Consumer Services continues to be a leader in the drive for “networked supervision” and harmonization across the state system. Not only does the unit lead multi-state licensing initiatives and examinations, but staff are active participants in national-level associations. Work done by staff through these associations include developing and teaching national trainings, creating national examination standards, and jointly monitoring troubled licensees – just to name a few. Collaboration at the national level creates strong networks of colleagues sharing expertise and resources when regulating large companies.

ENFORCEMENT UPDATE

The Enforcement Unit continued protecting consumers in 2023 by stopping or postponing foreclosures, pursuing formal enforcement actions, and requiring refunds and corrective actions. Enforcement pursued over 50 actions against companies and individuals, including two Temporary Cease to Desist orders. Consumers filed 819 complaints. Enforcement closed 813 complaints, some of which were carried over from the prior year. Enforcement’s efforts resulted in approximately \$80,000 in restitution to consumers, eight foreclosures halted or postponed, and a handful of loan modifications granted.

With other state regulators, Enforcement entered a [settlement agreement](#) with ACI Payments (ACI) requiring ACI among other things, (a) to hire an independent consultant for information security, cybersecurity, and risk planning, (b) to pay a more than \$9 million fine to the states (Washington received **more than** \$200,000), and (c) to pay \$15,000 in administrative costs to Washington. The action and subsequent affirmative relief and penalties arose when ACI’s testing of its processing of debit and credit transactions caused unintentional duplicate hits on consumers’ accounts. ACI payments took immediate steps to address the errors and prevent future occurrences.