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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES**

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Mortgage Broker Practices Act of Washington by:

NO. C-08-196-09-CO01

JEFFERY GLEN BYERS,  
Loan Originator,

CONSENT ORDER

Respondent.

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COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Jeffery Glen Byers (hereinafter Respondent), and finding that the issues raised in the above-captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of the Revised Code of Washington (RCW) and RCW 34.05.060 of the Administrative Procedure Act based on the following:

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**AGREEMENT AND ORDER**

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The Department of Financial Institutions, Division of Consumer Services (Department) and Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-07-196-08-SC01 (Statement of Charges), entered September 19, 2008 (copy attached hereto). Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondent hereby agrees to the Department's entry of this Consent Order and further agrees that the issues raised in the above-captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges. Respondent is agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

CONSENT ORDER  
C-08-196-09-CO01  
Jeffery Glen Byers

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DEPARTMENT OF FINANCIAL INSTITUTIONS  
Division of Consumer Services  
150 Israel Rd SW  
PO Box 41200  
Olympia, WA 98504-1200  
(360) 902-8703

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Based upon the foregoing:

A. **Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter of the activities discussed herein.

B. **Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a hearing before an administrative law judge, and that he hereby waives his right to a hearing and any and all administrative and judicial review of the issues raised in this matter, or of the resolution reached herein.

Accordingly, by his signature below, Respondent withdraws his appeal.

C. **No Admission of Liability.** The parties intend this Consent Order to fully resolve the Statement of Charges and agree that Respondent does not admit to any wrongdoing by its entry.

D. **Fine.** It is AGREED that Respondent shall pay to the Department a fine of \$1,500 in the form of postal money orders made payable to the "Washington State Treasurer" upon entry of this Consent Order.

E. **Investigation Fee.** It is AGREED that Respondent shall pay to the Department an investigation fee of \$432 in the form of a postal money order made payable to the "Washington State Treasurer" upon entry of this Consent Order.

F. **Non-Compliance with Order.** It is AGREED that Respondent understands that failure to abide by the terms and conditions of this Consent Order may result in further legal action by the Director. In the event of such legal action, Respondent may be responsible to reimburse the Director for the cost incurred in pursuing such action, including but not limited to, attorney fees.

G. **Voluntarily Entered.** It is AGREED that the undersigned Respondent has voluntarily entered into this Consent Order, which is effective when signed by the Director's designee.

H. **Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read this Consent Order in its entirety and fully understands and agrees to all of the same.

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**RESPONDENT:**

*Jeffery Glen Byers*  
Jeffery Glen Byers  
Loan Originator

8-19-2009  
Date

*Steven M. Bobman*  
Steven M. Bobman, WSBA #9045  
Attorney for Respondent

8/19/09  
Date

**DO NOT WRITE BELOW THIS LINE**

THIS ORDER ENTERED THIS 1<sup>st</sup> DAY OF September 2009.

*Deborah Bortner*  
DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

*Steven C. Sherman*  
STEVEN C. SHERMAN  
Financial Legal Examiner



Approved by:

*James R. Brusselback*  
JAMES R. BRUSSELBACK  
Enforcement Chief

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4 **STATE OF WASHINGTON**  
5 **DEPARTMENT OF FINANCIAL INSTITUTIONS**  
6 **DIVISION OF CONSUMER SERVICES**

7 IN THE MATTER OF DETERMINING  
8 Whether there has been a violation of the  
9 Mortgage Broker Practices Act of  
10 Washington by:

11 JEFFERY GLEN BYERS,  
12 Loan Originator,

13 Respondent.

NO. C-08-196-08-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER  
AN ORDER TO SUSPEND LICENSE,  
IMPOSE FINE, AND COLLECT  
INVESTIGATION FEE

14 **INTRODUCTION**

15 Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial  
16 Institutions of the State of Washington (Director) is responsible for the administration of chapter 19.146  
17 RCW, the Mortgage Broker Practices Act (Act)<sup>1</sup>. After having conducted an investigation pursuant to  
18 RCW 19.146.235, and based upon the facts available as of the date of this Statement of Charges, the  
19 Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes this  
20 proceeding and finds as follows:

21 **I. FACTUAL ALLEGATIONS**

22 **1.1 Respondent. Jeffery Glen Byers (Respondent)** was licensed by the Department of Financial  
23 Institutions of the State of Washington (Department) to conduct business as a loan originator on  
24 February 15, 2007, and has continued to be licensed to date. Respondent is licensed to conduct the  
25 business of a loan originator for A+ Mortgage, Inc., a licensed mortgage broker.

<sup>1</sup> RCW 19.146 (2006)

1 **1.2 Prohibited Acts.**

2 A. On or about March 15, 2007, borrower S.F. applied with A+ Mortgage, Inc., for a loan to  
3 refinance her primary residence. Respondent was the loan originator who assisted the borrower with  
4 the application. At the same time, Respondent was training S.F. to be a loan originator for A+  
5 Mortgage, Inc. Page two of the application Respondent prepared for the borrower states the  
6 borrower's base employment income to be \$10,000. This income information on the application is in  
7 handwriting, whereas the remainder of the information on the application is typed. At the time the  
8 borrower signed the application, the income section was blank, and the Respondent was aware that the  
9 borrower's income was substantially less than \$10,000. Respondent subsequently submitted a second  
10 application to the lender with a stated income of \$13,750, and the borrower obtained a loan based  
11 upon this over-stated income. Respondent later provided a statement to the Department stating that  
12 the account representative for the lender required the increase in income to keep the debt-to-income  
13 ratio below 40%.

14  
15 B. Also on or about March 15, 2007, Respondent assisted borrower S.F. with applying for a  
16 loan to refinance an investment property. Respondent prepared a loan application for the borrower  
17 stating the borrower's income from employment to be \$10,000. This income information appears on  
18 the application in handwriting, whereas the remainder of the information on the application is typed.  
19 Respondent subsequently submitted a second application to the lender with a stated income of  
20 \$13,750, and the borrower obtained a loan based upon this over-stated income. Respondent later  
21 provided a statement to the Department stating that the account representative for the lender required  
22 the increase in income to keep the debt-to-income ratio below 40%.

1 **1.3 Failure to Properly Disclose the Yield Spread Premium.** Respondent prepared an initial  
2 Good Faith Estimate (GFE) for each of the loans described in paragraph 1.2, above. Each GFE  
3 contains the following language under a section entitled Compensation to Broker, "ysp 1-3%."

4 **1.4 Failure to Properly Make Truth-in-Lending Disclosures.** Respondent prepared an initial  
5 Truth-in-Lending Disclosures (TIL) for each of the loans described in paragraph 1.2, above. Each TIL  
6 includes a payment stream for a variable rate mortgage, but the check box to disclose a "variable rate  
7 feature" was not checked.

8 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the  
9 Act by Respondent continues to date.  
10

## 11 **II. GROUNDS FOR ENTRY OF ORDER**

12 **2.1 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondent is  
13 in apparent violation of RCW 19.146.0201(1), (2), and (3) for directly or indirectly employing a  
14 scheme, device, or artifice to defraud or mislead borrowers or lenders or any person, for engaging in  
15 an unfair or deceptive practice toward any person, and for obtaining property by fraud or  
16 misrepresentation.

17 **2.2 Requirement to Properly Disclose Yield Spread Premium.** Based on the Factual  
18 Allegations set forth in Section I above, Respondent is in apparent violation of RCW 19.146.0201(6)  
19 and (11) for failure to properly disclose the yield spread premium on the initial GFE for each loan  
20 described in paragraph 1.2 above.

21 **2.3 Requirement to Properly Complete Truth-in-Lending Disclosures.** Based on the Factual  
22 Allegations set forth in Section I above, Respondent is in apparent violation of RCW 19.146.0201(6),  
23 (11), and (15) for failure to properly complete the initial TIL for each loan described in paragraph 1.2,  
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1 above, and RCW 19.146.030(1) and (2)(a) for failure to properly complete the initial TIL for the loan  
2 described in paragraph 1.2 A, above.

3 **III. AUTHORITY TO IMPOSE SANCTIONS**

4 **3.1 Authority to Suspend License.** Pursuant to RCW 19.146.220(2)(e), the Director may suspend  
5 a license for any violation of the Act.

6 **3.2 Authority to Impose Fine.** Pursuant to RCW 19.146.220(3)(a), the Director may impose fines  
7 on a loan originator for any violations of RCW 19.146.0201(1), (2), or (3).

8 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-660-  
9 550(5), the Director may collect the costs of an investigation. The investigation charge will be calculated  
10 at the rate of \$48 per hour that each staff person devoted to the investigation.  
11

12 **IV. NOTICE OF INTENTION TO ENTER ORDER**

13 Respondent's violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as  
14 set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose  
15 Sanctions, constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221, and  
16 RCW 19.146.223. Therefore, it is the Director's intention to ORDER that:

17 **4.1** Respondent Jeffery Glen Byers' license to conduct the business of a loan originator shall be  
18 suspended for a period of six months; and

19 **4.2** Respondent Jeffery Glen Byers shall pay a fine which as of the date of these charges totals  
20 \$7,500;

21 **4.3** Respondent Jeffery Glen Byers shall pay an investigation fee which as of the date of these charges  
22 totals \$432, calculated at \$48 per hour for the nine staff hours devoted to the investigation to date.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Suspend License,  
3 Impose Fine, and Collect Investigation Fee (Statement of Charges) is entered pursuant to the  
4 provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is  
5 subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondent may  
6 make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND  
7 AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.  
8

9 Dated this 19<sup>th</sup> day of September, 2008.  
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11 


12 DEBORAH BORTNER  
13 Director  
14 Division of Consumer Services  
15 Department of Financial Institutions

16 Presented by:

17   
18 STEVEN C. SHERMAN  
19 Financial Legal Examiner



20 Approved by:

21   
22 JAMES R. BRUSSELBACK  
23 Enforcement Chief  
24