

**ORDER SUMMARY – Case Number: C-19-2735**

**Name(s):** Better Mortgage Corporation  
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 \_\_\_\_\_

**Order Number:** C-19-2735-21-CA01  
 \_\_\_\_\_

**Effective Date:** 11/16/2021  
 \_\_\_\_\_

**License Number:** 330511  
**Or NMLS Identifier [U/L]** \_\_\_\_\_

**License Effect:** \_\_\_\_\_  
 \_\_\_\_\_

**Not Apply Until:** \_\_\_\_\_  
 \_\_\_\_\_

**Not Eligible Until:** \_\_\_\_\_  
 \_\_\_\_\_

**Prohibition/Ban Until:** \_\_\_\_\_  
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|                                         |                    |     |                                                                          |      |
|-----------------------------------------|--------------------|-----|--------------------------------------------------------------------------|------|
| <b>Investigation Costs</b>              | \$ 7,000           |     | Paid<br><input checked="" type="checkbox"/> Y <input type="checkbox"/> N | Date |
| <b>Fine</b>                             | \$ 80,000          | Due | Paid<br><input checked="" type="checkbox"/> Y <input type="checkbox"/> N | Date |
| <b>Assessment(s)</b>                    | \$                 | Due | Paid<br><input type="checkbox"/> Y <input type="checkbox"/> N            | Date |
| <b>Restitution</b>                      | \$                 | Due | Paid<br><input type="checkbox"/> Y <input type="checkbox"/> N            | Date |
| <b>Financial Literacy and Education</b> | \$                 | Due | Paid<br><input type="checkbox"/> Y <input type="checkbox"/> N            | Date |
| <b>Cost of Prosecution</b>              | \$                 | Due | Paid<br><input type="checkbox"/> Y <input type="checkbox"/> N            | Date |
|                                         | No. of<br>Victims: |     |                                                                          |      |

Comments: Within 3 months of entry of this Consent Agreement, Respondent will provide additional  
training regarding the mortgage loan originator license requirements of the Act to all management  
Directly overseeing the origination of mortgage loans for property located in the state of Washington.  
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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES**

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IN THE MATTER OF DETERMINING:  
Whether there has been a violation of the  
Consumer Loan Act of Washington by:

No.: C-19-2735-21-CA01

CONSENT AGREEMENT

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BETTER MORTGAGE CORP.,  
NMLS # 330511,

Respondent.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Lucinda Fazio, Division of Consumer Services Director, and Better Mortgage Corp. (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 Agreement. This Consent Agreement is entered pursuant to chapter 31.04 of the Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

**AGREEMENT**

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-19-2735-21-SC01 (Statement of Charges), entered September 1, 2021, (copy of which is attached). Pursuant to chapter 31.04 RCW, the Consumer Loan Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondent agrees to the Department's entry of this Consent Agreement and further agrees that the issues raised in the above-captioned matter may be economically and efficiently settled by entry of this Consent Agreement. The parties intend this Consent Agreement, which is effective once it is fully executed and entered (Effective Date), to fully and finally resolve (1) the findings from the Department's 2019 compliance examination of

1 Respondent; and (2) the Statement of Charges, and all claims and factual allegations within or related  
2 to the Statement of Charges. The Department acknowledges and agrees that by entering into this  
3 Consent Agreement, it is releasing any and all claims arising from or related to the Statement of  
4 Charges, the factual allegations related to the Statement of Charges, and the findings from the 2019  
5 compliance examination. Based upon the foregoing:

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

8 **B. Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a  
9 hearing before an administrative law judge, and hereby waives its right to a hearing and any and all  
10 administrative and judicial review of the issues raised in this matter, or of the resolution reached  
11 herein. Accordingly, Respondent, by the signatures of its representatives below, withdraws its appeal  
12 to the Office of Administrative Hearings.

13 **C. No Admission of Liability.** The parties agree that Respondent does not admit to any  
14 wrongdoing by entering into this Consent Agreement.

15 **D. Fine.** It is AGREED that Respondent shall pay a fine to the Department in the amount of  
16 \$80,000.

17 **E. Investigation Fee.** It is AGREED that Respondent shall pay an investigation fee to the  
18 Department in the amount of \$7,000.

19 **F. Form of Payment.** The Fine and Investigation Fee shall be paid together in one cashier's  
20 check in the amount of \$87,000 made payable to the "Washington State Treasurer."

21 **G. License Requirements and Training.** It is AGREED that Respondent understands the  
22 mortgage loan originator license requirements of the Act. It is further AGREED that within 3 months  
23 of entry of this Consent Agreement, Respondent will provide additional training regarding the

1 mortgage loan originator license requirements of the Act to all management directly overseeing the  
2 origination of mortgage loans for property located in the state of Washington.

3 **H. Compliance Examination.** It is AGREED that within one year of entry of this Consent  
4 Agreement, the Department may conduct a compliance examination of Respondent's business  
5 practices to determine compliance with the terms of this Consent Agreement and the mortgage loan  
6 originator license requirements of the Act with respect to loan applications taken by Respondent after  
7 the Effective Date of this Consent Agreement.

8 **I. Records Retention.** It is AGREED that Respondent, its officers, employees, and agents  
9 shall maintain records in compliance with the Act and provide the Director with the location of the  
10 books, records and other information relating to Respondent's consumer loan business, and the name,  
11 address and telephone number of the individual responsible for maintenance of such records in  
12 compliance with the Act.

13 **J. Authority to Execute Agreement.** It is AGREED that the undersigned have represented  
14 and warranted that they have the full power and right to execute this Consent Agreement on behalf of  
15 the parties represented.

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

20 **L. Voluntarily Entered.** It is AGREED that Respondent has voluntarily entered into this  
21 Consent Agreement, which is effective when signed by the Director's designee.

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

1           **N. Severability.** If any of the provisions of this Consent Agreement are held to be  
2 unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the  
3 remaining provisions shall not be affected thereby.

4           **O. Governing Law.** This Consent Agreement will be governed by and construed in  
5 accordance with Washington law. Each of the parties hereto consents to the jurisdiction of such court,  
6 and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient  
7 forum to the maintenance of such action or proceeding in such court.


8           **P. Counterparts.** This Consent Agreement may be executed in one or more separate  
9 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall  
10 together constitute a single document.

11           **Q. Signatures.** An electronic signature, or a faxed, photocopied, or scanned copy of an  
12 original signature, shall be deemed the same as an original signature.

13 **RESPONDENT:**

Better Mortgage Corp.


14 By:

15   
16 Paula Tuffin  
Chief Compliance Officer/General Counsel

November 1, 2021

Date

17 Approved for Entry:

18   
19 Jonice Gray Tucker  
Michael Rome  
20 Melissa Klimkiewicz  
21 Buckley LLP

November 2, 2021

Date


22 Joseph Vincent  
Joseph M. Vincent, Ltd., P.C.

23 Attorneys for Respondent


DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 16th DAY OF November, 2021.



  
\_\_\_\_\_  
Lucinda Fazio, Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

  
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KENNETH J. SUGIMOTO  
Financial Legal Examiner Supervisor

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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  
Consumer Loan Act of Washington by:

BETTER MORTGAGE CORP.,  
NMLS # 330511,

Respondent.

No. C-19-2735-21-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENT TO ENTER AN  
ORDER TO REVOKE LICENSE, PROHIBIT  
FROM INDUSTRY, IMPOSE FINE,  
COLLECT INVESTIGATION FEE and  
RECOVER COSTS AND EXPENSES

**INTRODUCTION**

Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the Director, through his designee, Division of Consumer Services Director Lucinda Fazio, institutes this proceeding and finds as follows:

**I. FACTUAL ALLEGATIONS**

**1.1 Respondent.** Better Mortgage Corp. (Respondent) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a consumer loan company on or about June 27, 2014, and continues to be licensed to date.

**1.2 Examination.** Between September 16, 2019, and September 20, 2019, the Department conducted a compliance examination of Respondent's business practices for the period from October 20, 2017, to June 30, 2019. The Department's examiners reviewed 43 loan files and noted violations of the Act which include those set forth below.

1 **1.3 Failed to Date Residential Mortgage Loan Applications.** From at least October 20, 2017,  
2 to June 30, 2019, Respondent failed to provide the date on at least 14 residential mortgage loan  
3 applications.

4 **1.4 Failed to Provide Compliant Rate Lock Agreements.** From at least October 20, 2017, to  
5 June 30, 2019, Respondent failed to provide compliant rate lock agreements to at least 42 borrowers.

6 **1.5 Advertised Rates or Fees as the “Best.”** Between October 20, 2017, and June 30, 2019,  
7 Respondent advertised online that Respondent’s loans, loan terms, or loan rates were the “best.”

8 **1.6 Failed to Provide Compliant Closing Disclosures.** From at least October 20, 2017, to June  
9 30, 2019, Respondent failed to provide compliant closing disclosures to at least 39 borrowers.

10 **1.7 Failed to Provide List of Authorized Settlement Service Providers.** From at least October  
11 20, 2017, to June 30, 2019, Respondent failed to provide a list of authorized settlement service  
12 providers to at least 32 borrowers.

13 **1.8 Failed to Provide Accurate and Complete Privacy Policies.** From at least October 20,  
14 2017, to June 30, 2019, Respondent failed to provide accurate and complete privacy policies to at  
15 least 43 borrowers.

16 **1.9 Failed to Provide Accurate and Complete Equal Credit Opportunity Act Notices.** From  
17 at least October 20, 2017, to June 30, 2019, Respondent failed to provide accurate and complete  
18 Equal Credit Opportunity Act notices to at least five borrowers.

19 **1.10 Failed to Provide Accurate and Complete Credit Score Disclosures.** From at least  
20 October 20, 2017, to June 30, 2019, Respondent failed to provide accurate and complete credit score  
21 disclosures to at least 30 borrowers.

22 **1.11 Unlicensed Mortgage Loan Originators.** From at least January 1, 2019, through the date of  
23 this statement of charges, individuals working on behalf of Respondent and not licensed by the  
24 Department as mortgage loan originators, assisted at least 21 borrowers in applying for residential



1 mortgage loans for properties located in the state of Washington by taking a residential mortgage loan  
2 application, or offering or negotiating the terms of a residential mortgage loan.

3 **1.12 On-Going Investigation.** The Department's investigation into the alleged violations of the  
4 Act by Respondent continues to date.

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

6 **2.1 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above,  
7 Respondent is in apparent violation of RCW 31.04.027(1)(b), (f), (g), and (m) for: directly or  
8 indirectly engaging in any unfair or deceptive practice toward any person; failing to make disclosures  
9 to loan applicants as required by any applicable state or federal law; making in any manner, any false  
10 or deceptive statement or representation with regard to the rates, points, or other financing terms or  
11 conditions for a residential mortgage loan; and violating any applicable state or federal law relating to  
12 the activities governed by the Act.

13 **2.2 False, Misleading, or Deceptive Advertisements.** Based on the Factual Allegations set forth  
14 in Section I above, Respondent is in apparent violation of RCW 31.04.135 for advertising or  
15 permitting to be advertised, in any manner whatsoever, any statement or representation with regard to  
16 rates, terms, or conditions for the lending of money that is false, misleading, or deceptive.

17 **2.3 Definition of Mortgage Loan Originator.** Pursuant to RCW 31.04.015(17)(a), "Mortgage  
18 loan originator" means an individual who for compensation or gain (i) takes a residential mortgage  
19 loan application, or (ii) offers or negotiates terms of a residential mortgage loan.

20 **2.4 Unlicensed Mortgage Loan Originators.** Based on the Factual Allegations set forth in  
21 Section I above, Respondent is in apparent violation of RCW 31.04.027(1)(b) and RCW 31.04.035  
22 for engaging in the business of a consumer loan company using individuals not licensed by the  
23 Department to assist borrowers in applying for residential mortgage loans.

1 **2.5 Responsibility for Conduct of Employees.** Pursuant to RCW 31.04.027(1), RCW  
2 31.04.165, and WAC 208-620-372, a consumer loan company is responsible for any conduct  
3 violating the Act and related rules by any person employed, or engaged as an independent contractor,  
4 to work in the business covered by the company's license.

5 **III. AUTHORITY TO IMPOSE SANCTIONS**

6 **3.1 Authority to Revoke License.** Pursuant to RCW 31.04.093(3)(b), the Director may revoke a  
7 license for any violation of the Act.

8 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6), the Director may  
9 issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,  
10 employee, mortgage loan originator, or any other person subject to the Act for any violation of RCW  
11 31.04.027, RCW 31.04.102, RCW 31.04.155, or RCW 31.04.221.

12 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of  
13 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or  
14 any other person subject to the Act for any violation of the Act.

15 **3.4 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-  
16 590, WAC 208-620-610(7), every licensee examined or investigated by the Director or the Director's  
17 designee shall pay for the cost of the investigation, calculated at the rate of \$69.01 per staff hour  
18 devoted to the investigation, and shall pay travel costs if the licensee maintains its records outside the  
19 state.

20 **3.5 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director  
21 may recover the state's costs and expenses for prosecuting violations of the Act.

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1 **IV. NOTICE OF INTENT TO ENTER ORDER**

2 Respondent’s violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,  
3 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose  
4 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, RCW  
5 34.04.202, and RCW 31.04.205. Therefore, it is the Director’s intent to ORDER that:

- 6 **4.1** Respondent Better Mortgage Corp.’s license to conduct the business of a consumer  
7 loan company be revoked.
- 8 **4.2** Respondent Better Mortgage Corp. be prohibited from participation in the conduct of  
9 the affairs of any consumer loan company subject to licensure by the Director, in any  
10 manner, for a period of five years.
- 11 **4.3** Respondent Better Mortgage Corp. pay a fine of \$80,000.
- 12 **4.4** Respondent Better Mortgage Corp. pay an investigation fee. As of the date of this  
13 Statement of Charges, the investigation fee totals \$7,000.
- 14 **4.5** Respondent Better Mortgage Corp. maintain records in compliance with the Act and  
15 provide the Department with the location of the books, records and other information  
16 relating to Respondent Better Mortgage Corp.’s consumer loan business, and the  
17 name, address and telephone number of the individual responsible for maintenance of  
18 such records in compliance with the Act.
- 19 **4.6** Respondent Better Mortgage Corp. pay the Department’s costs and expenses for  
20 prosecuting violations of the Act in an amount to be determined at hearing or by  
21 declaration with supporting documentation in event of default by Respondent Better  
22 Mortgage Corp.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges is entered pursuant to the provisions of RCW 31.04.093, RCW  
3 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of RCW 34.05  
4 RCW. Respondent may make a written request for a hearing as set forth in the NOTICE OF  
5 OPPORTUNITY FOR ADJUDICATIVE HEARING AND TO DEFEND accompanying this  
6 Statement of Charges.

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8 Dated this 1st day of Sept., 2021.



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Lucinda Fazio, Director  
Division of Consumer Services  
Department of Financial Institutions

16 Presented by:

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[Redacted Signature]

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KENNETH J. SUGIMOTO  
Financial Legal Examiner Supervisor