

Terms Completed

ORDER SUMMARY – Case Number: C-02-132

Name(s): New World Mortgage Inc
Chui Ming Chan

Order Number: C-02-132-05-CO01

Effective Date: September 1, 2005

License Number: DFI: 20172 -New World
Or NMLS Identifier [U/L] DFI: 21388 -Chan

(Revoked, suspended, stayed, application denied or withdrawn)
 If applicable, you must specifically note the ending dates of terms.

License Effect: Surrendered

Not Apply Until: _____

Not Eligible Until: _____

Prohibition/Ban Until: September 1, 2007

Investigation Costs	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$2,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	9.1.05
Assessment(s)	\$1,575.67	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	9.1.05
Restitution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

Comments: _____

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

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

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NEW WORLD MORTGAGE, INC. AND CHUI
MING CHAN, DESIGNATED BROKER AND
OWNER
Respondents

NO. C-02-132-05-CO01

CONSENT ORDER RE PETITION FOR
RECONSIDERATION

COMES NOW Scott Jarvis, the Director of the Department of Financial Institutions (Director), and New World Mortgage, Inc. and Chui Ming Chan, Designated Broker and Owner (hereinafter collectively as Respondents), and finding that the issues raised in the Final Order and Petition for Reconsideration to the Final Order signed by Acting Director Gloria Papiez on March 24, 2005, may be economically and efficiently settled, agree to the entry of this Consent Order Re Petition for Reconsideration. This Order is entered pursuant to chapter 19.146 of Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

AGREEMENT AND ORDER

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-02-132-04-SC01 (Statement of Charges), entered July 13, 2004, (copy attached hereto and incorporated by reference) and the Final Order and Petition for Reconsideration filed timely on July 19, 2005. Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondents hereby agree to the Department's entry of this Consent Order and further agree that the issues raised in the above captioned matter may be economically and efficiently settled by entry of this Order. The parties intend this Order to fully resolve the Statement of Charges, entered July 13, 2004, and the Final Order sign March 24, 2005.

Based upon the foregoing:

CONSENT ORDER
New World Mortgage, Inc.
Chui Ming Chan, Owner and Designated Broker

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8795

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

3 B. **Final Order Withdrawal.** It is AGREED that the Final Order signed by Acting Director Gloria
4 Papeiz is hereby withdrawn prior to final entry.

5 C. **Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a hearing
6 before an administrative law judge, and that they have waived their right to a hearing and any and all
7 administrative and judicial review of the issues raised in this matter, or of the resolution reached herein.

8 D. **Mortgage Broker License.** It is AGREED that Respondents have voluntarily surrendered their
9 mortgage broker license to the Department. It is further AGREED that Respondents will provided the Department
10 with a fully completed "Mortgage Broker Office Closure/License Surrender Form."

11 E. **Application for Mortgage Broker License.** It is AGREED that Respondent Chan shall not apply to
12 the Department for any license under any name for a period of two (2) years from the entry of this Consent Order
13 and will not serve as a principal or a designated broker, for a mortgage broker licensed in Washington State for the
14 same period.

15 F. **Description of Activity.** Respondents have represented to the Department that they did no mortgage
16 business after the surety bond was cancelled on December 12, 2001. It is AGREED that Respondent Chan shall
17 provide the Department with an affidavit to that effect.

18 G. **Fine.** It is AGREED that Respondents shall pay a fine of \$2000 for failing to maintain the required
19 bond, failing to maintain its corporate licenses and failing to comply with the Directives of the Director. The fine
20 may be paid no later than six months from the date of this Consent Order.

21 H. **Annual Assessments.** It is AGREED that Respondents shall pay to the Department the cumulative
22 delinquent annual assessments due through July 31, 2004, totaling \$1,575.67 (\$513.95 for the year ended
23 November 30, 2001, \$530.86 for the year ended November 30, 2002 and \$530.86 for the year ended November
24 30, 2003). The delinquent assessments may be paid no later than six months from the date of this Consent Order.

1 I. **Unlicensed Activity.** It is AGREED that Respondent Chan will not operate as a mortgage broker
2 unless and until he applies and is approved to operate as a mortgage broker.

3 J. **Employment in the Industry.** It is AGREED that this Consent Order is not intended to restrict
4 Respondents' ability to work as a loan originator or employee in the Mortgage Broker industry, even in the event
5 that such positions become subject to licensure by the Department in the future.

6 K. **Compliance with the Law.** It is AGREED that Respondents shall comply with the Mortgage Broker
7 Practices Act and the rules adopted thereunder, particularly, the provisions relating to maintenance of records.

8 L. **Non-Compliance with Order.** It is AGREED that Respondents understand that failure to abide
9 by the terms and conditions of this Consent Order, including the failure to pay the fines and assessments on
10 time, may result in further legal action by the Director. It will also nullify this agreement and the Final Order
11 will be reinstated with all its terms and conditions. In the event of such legal action, Respondents may be
12 responsible to reimburse the Director for the cost incurred in pursuing such action, including but not limited to,
13 attorney fees.

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


16 N. **Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily entered into
17 this Consent Order, which is effective when signed by the Director's designee.

18 O. **Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read this
19 Consent Order in its entirety and fully understand and agree to all of the same.
20

21 **RESPONDENTS:**

22 **NEW WORLD MORTGAGE, INC. AND CHUI MING CHAN.**

23 By:

24 
25 _____
CHUI MING CHAN, Individually and as
President, Owner and Designated Broker

8/23/05
Date

CONSENT ORDER
New World Mortgage, Inc.
Chui Ming Chan, Owner and Designated Broker

1 Of New World Mortgage, Inc.

2 DO NOT WRITE BELOW THIS LINE

3 THIS ORDER ENTERED THIS 1st DAY OF September, 2005.



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Scott Jarvis, Director
Department of Financial Institutions

CONSENT ORDER
New World Mortgage, Inc.
Chui Ming Chan, Owner and Designated Broker

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8795

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

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

NO. C-02-132-05-FO01

NEW WORLD MORTGAGE, INC. AND CHUI
MING CHAN, DESIGNATED BROKER AND
OWNER

FINAL ORDER

Respondents.

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I. DIRECTOR'S CONSIDERATION

A. Default. This matter has come before the Director of the Department of
Financial Institutions of the State of Washington (Director) pursuant to RCW 34.05.440(1). On July
13, 2004, the Director through her designee Consumer Services Division Director and Enforcement
Chief Chuck Cross, entered a Statement of Charges and Notice of Intention to Enter an Order to
Revoke License and Prohibit From Participation in the Mortgage Broker Industry (Statement of
Charges). A copy of the Statement of Charges is attached and incorporated into this order by this
reference. The Statement of Charges was accompanied by a cover letter dated July 13, 2004, a Notice
of Opportunity to Defend and Opportunity for Hearing and blank Applications for Adjudicative
Hearing for New World Mortgage, Inc. and Chui Ming Chan, Designated Broker and Owner. The
Department of Financial Institutions of the State of Washington (Department) served the Statement of
Charges, cover letter dated July 13, 2004, Notice of Opportunity to Defend and Opportunity for
Hearing, and blank Applications for Adjudicative Hearing for New World Mortgage, Inc. and Chui
Ming Chan on Respondent Chui Ming Chan by Federal Express on July 14, 2004. To date,

1 respondents have not request an adjudicative hearing within twenty days of service as required by
2 Department rule WAC 208-08-050.

3 B. Record Presented. The record presented to the Director for her review and for entry of
4 a final decision included the Statement of Charges, cover letter dated July 13, 2004, Notice of
5 Opportunity to Defend and Opportunity for Hearing, blank Applications for Adjudicative Hearing for
6 New World Mortgage, Inc. and Chui Ming Chan, and documentation of service.

7 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(1), the
8 Director hereby adopts the Statement of Charges, which is attached hereto.

9
10 II. FINAL ORDER

11 Based upon the foregoing, and the Director having considered the record and being
12 otherwise fully advised, NOW, THEREFORE:

13 A. IT IS HEREBY ORDERED, That:

- 14 1. Respondent New World Mortgage, Inc. and Chui Ming Chan's license to conduct
15 the business of a Mortgage Broker is revoked; and
16 2. Respondent Chui Ming Chan is prohibited from participation in the conduct of the
17 affairs of any licensed mortgage broker, in any manner, for a period of three (3)
18 years; and
19 3. Respondents New World Mortgage, Inc. and Chui Ming Chan maintain records in
20 compliance with chapter 19.146 RCW, the Mortgage Broker Practices Act ("Act")
21 and provide the Department with the location of the books, records and other
22 information relating to Chui Ming Chan's mortgage broker business, and the
23 name, address and telephone number of the individual responsible for
24 maintenance of such records in compliance with the Act.

25 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a
26 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
27 must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150

1 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
2 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The
3 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
4 Reconsideration a prerequisite for seeking judicial review in this matter.

5 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date
6 the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written
7 notice specifying the date by which it will act on a petition.

8
9 C. Stay of Order. The Director has determined not to consider a Petition to Stay the
10 effectiveness of this order. Any such requests should be made in connection with a Petition for Judicial
11 Review made under chapter 34.05 RCW and RCW 34.05.550.

12 D. Judicial Review. Respondents have the right to petition the superior court for
13 judicial review of this agency action under the provisions of chapter 34.05 RCW. For the requirements
14 for filing a Petition for Judicial Review, see RCW 34.050.510 and sections following.

15 E. Service. For purposes of filing a Petition for Reconsideration or a Petition for
16 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
17 attached hereto.

18 DATED this 24th day of March, 2005.



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21 STATE OF WASHINGTON
22 DEPARTMENT OF FINANCIAL INSTITUTIONS

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25 Gloria Papiez
Acting Director

FINAL ORDER -
NEW WORLD MORTGAGE, INC.

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

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

NEW WORLD MORTGAGE, INC. AND CHUI
MING CHAN, DESIGNATED BROKER AND
OWNER

NO. C-02-132-04-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO REVOKE LICENSE, and PROHIBIT
FROM PARTICIPATION IN THE MORTGAGE
BROKER INDUSTRY

Respondents.

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INTRODUCTION

Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 19.146 RCW, the Mortgage Broker Practices Act (Act). The referenced statutes (RCW) and rules (WAC) are attached, in pertinent part. After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as of June 29, 2004, the Director institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents:

A. **New World Mortgage, Inc. (Respondent New World)** is known to have conducted the business of a mortgage broker at the following locations:

1200 112 Ave NE C-118
Bellevue WA 98004,

320-108th St. NE #600
Bellevue WA 98004, and

10655 NE 4th Street, Suite 400
Bellevue WA 98004

1 B. **Chui Ming Chan (Respondent Chan)** the owner of Respondent New World was named
2 Designated Broker on November 23, 1993 and has continued as Designated Broker to date.

3 **1.2 License:** Respondent New World's main office, at 1200 112 Ave NE C-118, Bellevue, WA was
4 licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct
5 business as a mortgage broker on November 23, 1993, and has continued to be licensed to date at one of the
6 three locations mentioned above.

7 **1.3 Failure to Pay Annual Assessments:** An annual assessment fee for each license is due to the
8 Department no later than the last business day of November for the year then ended. To date, the Department
9 has not received the following annual assessments due from Respondents, totaling \$1,575.67:

- 10 A. Payment of the 2001 annual assessment of \$513.95 was due to the Department no later than
11 the last business day of November 2001.
12 B. Payment of the 2002 and 2003 annual assessments of \$530.86 were due to the Department no
13 later than the last business day of November 2002 and 2003, respectively.

14 **1.4 Failure to Maintain Bond:** The Department was notified that that Respondent New World's surety
15 bond from Washington International Insurance Company had been cancelled, effective December 12, 2001. To
16 date, Respondents have failed to notify the Department of the cancellation of the surety bond, and have failed to
17 provide the required surety bond or an approved alternative.

18 **1.5 Failure to Submit Continuing Education Certificates:** A certificate of satisfactory completion of an
19 approved continuing education course by a licensee's Designated Broker is due to the Department no later than
20 the last business day of November of each year. To date, the Department has not received the required
21 certificates from Respondent Chan for the years ended November 2000, 2001, 2002, and 2003, respectively.

22 **1.6 Unlicensed activity:** On April 29, 1998, the Department directed Respondent Chan to cease holding
23 himself out as being able to conduct business as Mortgage Warehouse, Inc. Respondent Chan has used
24 Mortgage Warehouse, Inc. to complete as least one transaction in which he was demanding the payment of fees
25 outside of closing.

1.7 Failure to Respond to Directives: The Department served various directives on Respondents by
certified mail and regular mail beginning in November 1995. These directives variously required, among other

1 things, the payment of annual assessments and certificates of completion of continuing education. On March 26,
2 2002, Respondents Chan and New World were directed to replace the surety bond that had not been in affect
3 since December 12, 2001. On April 30, 2002, Respondent Chan was informed about the necessity of filing a
4 closure form and surrendering the license if the Respondent New World was no longer doing business. Finally,
5 on October 29, 2003, the Department sent a directive to Respondents to file its continuing education certificates
6 for 2000, 2001, and 2003, to pay its annual assessments for 2001 and 2002 totaling \$1044.86, to reinstate its
7 bond coverage from 12/12/01, and to submit its amendment form for an address change. Respondents failed to
8 respond to the directives.

8 **1.8 Failure to Notify Department of Significant Developments:**

- 9 A. As stated in 1.4 above, to date, Respondents have not notified the Department of the
10 cancellation of Respondent New World's surety bond.
- 11 B. Respondent New World's Master Business License account, maintained with the Washington
12 State Department of Licensing, was dissolved on November 25, 2002. To date, Respondents
13 have not notified the Department of this change in Respondent New World's State Master
14 Business License.

15 **II. GROUNDS FOR ENTRY OF ORDER**

16 **2.1 Requirement to Pay Annual Assessments:** Based on the Factual Allegations set forth in Section I
17 above, Respondents are in apparent violation of RCW 19.146.228(1), WAC 208-660-060(3) and WAC 208-
18 660-061 for failing to pay to the Director an annual assessment fee no later than the last business day of the
19 month in which the anniversary date of the issuance of the mortgage broker's license occurs.

20 **2.2 Requirement to Maintain Surety Bond:** Based on the Factual Allegations set forth in Section I
21 above, Respondents are in apparent violation of RCW 19.146.205(4)(a) and WAC 208-660-080(1) for failing to
22 file and maintain a surety bond or approved alternative with the Department.

23 **2.3 Requirement to Submit Certificate of Completion of Continuing Education:** Based on the Factual
24 Allegations set forth in Section I above, Respondent New World is in apparent violation of RCW 19.146.215

1 and WAC 208-660-042 for failing to complete the annual continuing education requirement and file a
2 certificate of satisfactory completion no later than the last business day of the month in which the anniversary
3 date of the issuance of the licensee's license occurs.

4 **2.4 Requirement to Notify Department of Significant Developments:** Based on the Factual Allegations
5 set forth in Section I above, Respondents are in apparent violation of WAC 208-660-150(1)(e), WAC 208-660-
6 150(2), and WAC 208-660-150(3)(e) for failing to notify the Director in writing within thirty days after receipt
7 of notification of cancellation of the licensee's surety bond and failing to notify the Director in writing within
8 five days after a change in the licensee's State master business license

9 **2.5 Authority to Revoke License:** Pursuant to RCW 19.146.220(2)(b)(ii), (iii) and (iv), and WAC 208-
10 660-160(1), (2), (8) and (13), the Director may revoke a license if a licensee directly or indirectly misleads a
11 borrower or employs a scheme, device or artifice to defraud, fails to pay a fee required by the Director, fails to
12 maintain the required bond, or fails to comply with any directive or order of the Director.

13 **2.6 Authority to Prohibit from the Industry:** Pursuant to RCW 19.146.220(2)(e)(i) and (iv), the Director
14 may prohibit from participation in the conduct of the affairs of a licensed mortgage broker, any officer,
15 principal, employee, or loan originator of any licensed mortgage broker or any person subject to licensing under
16 the Act that fails to maintain the required bond or fails to comply with any directive or order of the Director.

17 III. NOTICE OF INTENTION TO ENTER ORDER

18 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth
19 in the above Factual Allegations and Grounds for Entry of Order, constitute a basis for the entry of an Order under
20 RCW 19.146.220, RCW 19.146.221 and RCW 19.146.223. Therefore, it is the Director's intention to ORDER
21 that:

- 22 3.1 Respondent New World's license to conduct the business of a Mortgage Broker be revoked; and
- 23 3.2 Respondent Chui Ming Chan be prohibited from participation in the conduct of the affairs of any
24 licensed mortgage broker, in any manner, for a period of ten years; and
- 25 3.3 Respondents maintain records in compliance with the Act and provide the Department with the
location of the books, records and other information relating to Respondent New World's mortgage

1 broker business, and the name, address and telephone number of the individual responsible for
2 maintenance of such records in compliance with the Act.

3 **IV. AUTHORITY AND PROCEDURE**

4 This Statement of Charges and Notice of Intention to Enter an Order to Revoke License and Prohibit from
5 Participation in the Mortgage Broker Industry is entered pursuant to the provisions of RCW 19.146.220, RCW
6 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW
7 (The Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in the
8 NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
9 Statement of Charges and Notice of Intention to Enter an Order to Revoke License and Prohibit from
10 Participation in the Mortgage Broker Industry.

11 Dated this 13th day of July, 2004.



12 _____
13 **CHUCK CROSS**
14 Director and Enforcement Chief
15 Division of Consumer Services
16 Department of Financial Institutions

17 Presented by:

18 Deborah Bortner
19 Financial Legal Examiner