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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-04-016-04-CO01

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K & R FINANCIAL, INC.,
KIRK A. DESPAIN, Owner and Designated
Broker, and RAECHEL R. DESPAIN, Owner
Respondents

CONSENT ORDER

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COMES NOW the Director of the Department of Financial Institutions (Director), through her designee Chuck Cross, Division Director, Division of Consumer Services, and K & R Financial, Inc., Kirk A. DeSpain, Owner and Designated Broker, and Raechel R. DeSpain, Owner (hereinafter collectively as "Respondents"), and finding that the issues raised in the 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 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-04-016-04-SC01 (Statement of Charges), entered March 4, 2004, (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, 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 Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges entered March 4, 2004.

Based upon the foregoing:

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

CONSENT ORDER

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

4 **C. Mortgage Broker License.** It is AGREED that Respondents shall immediately surrender their mortgage
5 broker license. It is further AGREED that Respondents shall immediately provide the Department with a fully
6 completed "Mortgage Broker Office Closure/License Surrender Form."

7 **D. Affidavit of Non-Activity.** It is AGREED that Respondent Kirk A. DeSpain and Respondent Raechel R.
8 DeSpain shall each immediately provide the Department with an Affidavit of Non-Activity, declaring the date
9 Respondent K & R Financial, Inc. ceased operation as a Mortgage Broker in the State of Washington, and declaring
10 that each Respondent transacted no further business requiring a license from the Department after that date.

11 **E. Restriction on Participation in the Industry.** It is AGREED that Respondents shall be prohibited from
12 participating in the conduct of the affairs of any licensed mortgage broker in the State of Washington, in the capacity of
13 an officer or principal, for a period of five (5) years from the entry of this Consent Order. HOWEVER, any time after
14 three (3) years of such prohibition, Respondents may pay to the Department a fine of \$6,000.00 in the form of a
15 cashier's check made payable to the "Washington State Treasurer" in order to reduce the term of the prohibition.

16 **F. Application for Mortgage Broker License.** It is AGREED that Respondents shall not apply to the
17 Department for any license under any name for a period of five (5) years from the entry of this Consent Order.
18 HOWEVER, if Respondents choose to reduce their term of prohibition as described in paragraph E, Respondents may
19 apply to the Department for a license after three (3) years from the entry of this Consent Order.

20 **G. Fine.** It is AGREED that, consistent with paragraph E, should Respondents so choose, at any time after
21 three (3) years from the date of entry of this Consent Order, Respondents may pay to the Department a fine of
22 \$6,000.00 in the form of a cashier's check made payable to the "Washington State Treasurer".

23 **H. Annual Assessments.** It is AGREED that Respondents shall pay to the Department the cumulative
24 delinquent main office and branch office annual assessments due through January 31, 2002 totaling \$2,089.62 (\$513.95

1 each for the main office and branch office annual assessments for the year ended January 31, 2001, and \$530.86 each
2 for the main office and branch office annual assessments for the year ended January 31, 2002), in the form of a
3 cashier's check made payable to the "Washington State Treasurer" upon entry of this Consent Order.

4 **I. Investigation Fee.** It is AGREED that Respondents shall pay to the Department an investigation fee of
5 \$286.68, calculated at \$47.78 per hour for six (6) staff hours devoted to the investigation, in the form of a cashier's
6 check made payable to the "Washington State Treasurer" upon entry of this Consent Order.

7 **J. Compliance with the Law.** It is AGREED that Respondents shall comply with the Mortgage Broker
8 Practices Act and the rules adopted thereunder.

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

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

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

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

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23 /

24 **RESPONDENTS:**

1 **K & R Financial, Inc.**

2 By:

3 _____
4 Kirk A. DeSpain
5 Owner and Designated Broker

_____ Date

6 _____
7 Kirk A. DeSpain, Individually

_____ Date

8 _____
9 _____
10 Raechel R. DeSpain
11 Owner

_____ Date

12 _____
13 Raechel R. DeSpain, Individually

_____ Date

14
15 THIS ORDER ENTERED THIS 14th DAY OF June, 2004.

16 _____
17 /s/_____

18 **CHUCK CROSS**
19 Director and Enforcement Chief
20 Division of Consumer Services
21 Department of Financial Institutions

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

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

K & R Financial, Inc.,
Kirk A. DeSpain, Owner and Designated Broker,
and
Raechel R. DeSpain, Owner,

Respondents.

NO. C-04-016-04-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO REVOKE LICENSES,
IMPOSE FINES, AND PROHIBIT FROM
PARTICIPATION IN THE MORTGAGE BROKER
INDUSTRY

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, and based upon the facts available as of February 13, 2004, the Director institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents:

A. **K & R Financial, Inc. ("K & R")** is known to have conducted the business of a mortgage broker at:

127 West Juanita Avenue Suite 214
Mesa, Arizona 85210

B. **Kirk A. DeSpain ("K. DeSpain")** is known to be an owner of K & R. DeSpain was named designated broker on January 10, 2000

C. **Raechel R. DeSpain ("R. DeSpain")** is known to be an owner of K&R.

1 **1.2 Licenses:**

2 A. **Main Office:** Respondent K & R's main office, at 127 West Juanita Avenue Suite 214, Mesa
3 Arizona 85210, was licensed by the Department of Financial Institutions ("Department") to conduct business
4 as a mortgage broker on January 10, 2000, and has continued to be licensed to date.

5 B. **SeaTac Branch Office:** Respondent K & R's SeaTac branch office, at 17810 50th Court
6 South, SeaTac Washington 98188, was licensed by the Department to conduct business as a mortgage
7 broker on January 10, 2000, and has continued to be licensed to date.

8 **1.3 Failure to Pay Annual Assessment:** Payment of the annual assessment is due to the Department
9 no later than the last business day of January of each year. To date, the Department has not received the
10 following annual assessments due from Respondents:

- 11 A. Payment of the annual assessment of \$513.95 for the year 2000 was due to the Department
12 no later than the last business day of January 2001.
- 13 B. Payment of the annual assessment of \$530.86 for the years 2001, 2002 and 2003 was due to
14 the Department no later than the last business day of January of each year.
- 15 C. Payment of the annual assessment of \$530.86 for the year 2004 will be due to the
16 Department no later than the last business day of January 2005.

17 **1.4 Failure to Pay Branch Annual Assessment:** Payment of an annual assessment for Respondent K
18 & R's SeaTac branch is due to the Department no later than the last business day of January of each year. To
19 date, the Department has not received the following branch annual assessments due from Respondents:

- 20 A. Payment of the branch annual assessment of \$513.95 for the year 2000 was due to the
21 Department no later than the last business day of February 2001.
- 22 B. Payment of the branch annual assessment of \$530.86 for the years 2001, 2002 and 2003 was
23 due to the Department no later than the last business day of January of each year.
24

1 C. Payment of the branch annual assessment of \$530.86 for the year 2004 will be due to the
2 Department no later than the last business day of January 2005.

3 **1.5 Failure to Maintain Bond:** On November 6, 2001, the Department received notice from Frontier
4 Insurance Co., that K & R's surety bond would not be renewed. To date, Respondents have not notified the
5 Department that K & R's surety bond had expired, nor have Respondents replaced K & R's surety bond.

6 **1.6 Failure to Submit Continuing Education Certificate:** A certificate of satisfactory completion of
7 an approved continuing education course was due to the Department no later than the last day of January
8 2000 through 2004. To date, the Department has not received the required certificates due from Respondent
9 K. DeSpain.

10 **1.7 Failure to Respond to Directive Requirement:** On September 24, 2003, October 22, 2002, and
11 November 26, 2001, the Department served directives to Respondents by certified mail. In addition, on May
12 7, 2002, the Department mailed a directive to Respondent K & R at its last known address. This directive
13 was not returned. These directives variously required submission of Certificates of Completion for
14 Continuing Education, payment of the main office and branch office annual assessments, and replacement of
15 K & R's bond. On November 7, 2001, the Department also successfully sent correspondence to
16 Respondents by telefacsimile and certified mail notifying Respondents of the cancellation of K & R's bond.
17 To date, the Department has not received a response to its directives.

18 **1.8 Failure to Notify DFI of Significant Developments:**

19 **A.** As stated in 1.5 above, to date, Respondents have not notified the Department of the
20 cancellation of K & R's surety bond.

21 **B.** There is no record that K & R ever filed an application with the Washington Secretary of
22 State to obtain a Washington corporate license, although Respondents provided the
23 Department with a copy of an application for K & R's corporate license. To date,
24

1 Respondents have not notified the Department that K & R did not obtain a corporate license
2 in the state of Washington.

3 II. GROUNDS FOR ENTRY OF ORDER

4 **2.1 Requirement to Pay Annual Assessments:** Pursuant to RCW 19.146.228 and WAC 208-660-
5 060(3), the mortgage broker shall pay an annual assessment no later than the last business day of the month
6 in which the anniversary date of the issuance of the license occurs.

7 **2.2 Requirement to Maintain Bond:** Pursuant to RCW 19.146.205(4), each licensee shall file and
8 maintain a surety bond.

9 **2.3 Requirement to Submit Certificate of Completion of Continuing Education:** Pursuant to RCW
10 19.146.215, the designated broker of every licensee shall complete an annual continuing education
11 requirement. Pursuant to WAC 208-660-042, each licensee must file annually a certificate of satisfactory
12 completion of an approved continuing education course.

13 **2.4 Requirement to Notify of Significant Developments:** Pursuant to WAC 208-660-150(1)(e),
14 every licensee must notify the Director within thirty days after receiving notification of the cancellation of the
15 licensee's surety bond. Pursuant to WAC 208-660-150(3)(f), every licensee must notify the Director within
16 five days after a change in the licensee's standing with the state of Washington Secretary of State.

17 **2.5 Authority to Revoke License:** Pursuant to RCW 19.146.220(2)(b)(ii) and (iii), and WAC 208-
18 660-160(1), (2), (8), and (13), the Director may revoke a license for failure to pay a required annual
19 assessment, for failure to maintain the required surety bond, and for failure to comply with any directive or
20 order of the Director.

21 **2.6 Authority to Charge Examination Fee:** Pursuant to RCW 19.146.228(2), and WAC 208-660-060(2),
22 upon completion of any examination of the books and records of a licensee, the Department will furnish to the
23

1 licensee a billing to cover the cost of the examination. The examination charge will be calculated at the rate of
2 forty-seven dollars and seventy-eight cents (\$47.78) per hour that each staff person devoted to the examination.

3 **2.7 Authority to Impose Fine:** Pursuant to RCW 19.146.220(2)(c)(i) and (ii) and WAC 208-660-165, the
4 Director may impose fines on the licensee for failure to maintain the required surety bond and for failure to
5 comply with any directive or order of the Director.

6 **2.8 Authority to Prohibit from the Industry:** Pursuant to RCW 19.146.220(2)(e)(i) and (iv), the Director
7 may prohibit a covered individual from participation in the conduct of the affairs of a licensed mortgage broker for
8 failure to maintain the required surety bond and for failure to comply with any directive or order of the Director.

9 III. NOTICE OF INTENT TO ENTER ORDER

10 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth
11 in the above Facts and Grounds for Entry of Order, constitute a basis for the entry of an Order under RCW
12 19.146.220. Therefore, it is the Director's intention to ORDER that:

- 13 3.1 The mortgage broker license and branch office license held by Respondent K & R Financial, Inc.
14 be revoked; and
- 15 3.2 Respondents Kirk A. DeSpain and Raechel R. DeSpain be prohibited from participation in the
16 conduct of the affairs of any licensed mortgage broker for a period of five (5) years; and
- 17 3.3 Respondents, jointly and severally, pay the main office annual assessment due, in the amount of
18 \$2106.93, as calculated in 1.3 above; and
- 19 3.4 Respondents, jointly and severally, pay the branch office annual assessment due, in the amount of
20 \$2106.93, as calculated in 1.4 above; and
- 21 3.5 Respondents, jointly and severally, pay an examination fee of 286.68, calculated at \$47.78 per
22 hour for each staff hour devoted to the investigation (6 hours); and
- 23 3.6 Respondents, jointly and severally, pay a fine of \$6000.00 for:
24 a) Failure to maintain the required bond, calculated at \$100.00 per day for 30 days; and
25 b) Failure to comply with a directive, calculated at \$100.00 per day for 30 days; and

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IV. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221 and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges and Notice of Intent to Revoke Licenses, Impose Fines and Prohibit from Participation in the Mortgage Broker Industry.

Dated this 4th day of March, 2004.

/S/
CHUCK CROSS, ACTING DIRECTOR
DIVISION OF CONSUMER SERVICES
DEPARTMENT OF FINANCIAL INSTITUTIONS

Presented by:

/S/
Victoria W. Sheldon, Financial Legal Examiner

1 **RCW 19.146.205 License – Application – Exchange of fingerprint data with federal bureau of investigation – Fee – Bond or alternative.**

2 . . .

3 (4)(a) Each applicant for a mortgage broker's license shall file and maintain a surety bond, in an amount of not greater
4 than sixty thousand dollars nor less than twenty thousand dollars which the director deems adequate to protect the public
5 interest, executed by the applicant as obligor and by a surety company authorized to do a surety business in this state as
6 surety. The bonding requirement as established by the director may take the form of a uniform bond amount for all
7 licensees or the director may establish by rule a schedule establishing a range of bond amounts which shall vary according
8 to the annual average number of loan originators or independent contractors of a licensee. The bond shall run to the state
9 of Washington as obligee, and shall run first to the benefit of the borrower and then to the benefit of the state and any
10 person or persons who suffer loss by reason of the applicant's or its loan originator's violation of any provision of this
11 chapter or rules adopted under this chapter. The bond shall be conditioned that the obligor as licensee will faithfully
12 conform to and abide by this chapter and all rules adopted under this chapter, and shall reimburse all persons who suffer
13 loss by reason of a violation of this chapter or rules adopted under this chapter. Borrowers shall be given priority over the
14 state and other persons. The state and other third parties shall be allowed to receive distribution pursuant to a valid claim
15 against the remainder of the bond. In the case of claims made by any person or entity who is not a borrower, no final
16 judgment may be entered prior to one hundred eighty days following the date the claim is filed. The bond shall be
17 continuous and may be canceled by the surety upon the surety giving written notice to the director of its intent to cancel
18 the bond. The cancellation shall be effective thirty days after the notice is received by the director. Whether or not the
19 bond is renewed, continued, reinstated, reissued, or otherwise extended, replaced, or modified, including increases or
20 decreases in the penal sum, it shall be considered one continuous obligation, and the surety upon the bond shall not be
21 liable in an aggregate or cumulative amount exceeding the penal sum set forth on the face of the bond. In no event shall
22 the penal sum, or any portion thereof, at two or more points in time be added together in determining the surety's liability.
23 The bond shall not be liable for any penalties imposed on the licensee, including, but not limited to, any increased
24 damages or attorneys' fees, or both, awarded under RCW 19.86.090. The applicant may obtain the bond directly from the
25 surety or through a group bonding arrangement involving a professional organization comprised of mortgage brokers if
the arrangement provides at least as much coverage as is required under this subsection.

(b) In lieu of a surety bond, the applicant may, upon approval by the director, file with the director a certificate of deposit,
an irrevocable letter of credit, or such other instrument as approved by the director by rule, drawn in favor of the director
for an amount equal to the required bond.

(c) In lieu of the surety bond or compliance with (b) of this subsection, an applicant may obtain insurance or coverage
from an association comprised of mortgage brokers that is organized as a mutual corporation for the sole purpose of
insuring or self-insuring claims that may arise from a violation of this chapter. An applicant may only substitute coverage
under this subsection for the requirements of (a) or (b) of this subsection if the director, with the consent of the insurance
commissioner, has authorized such association to organize a mutual corporation under such terms and conditions as may
be imposed by the director to ensure that the corporation is operated in a financially responsible manner to pay any claims
within the financial responsibility limits specified in (a) of this subsection. [1997 c 106 § 9; 1994 c 33 § 8; 1993 c 468 §
6.]

Severability – 1997 c 106: See note following RCW 19.146.100. Adoption of rules – Severability – 1993 c 468: See notes
following RCW 19.146.020. Effective dates – 1993 c 468: See note following RCW 19.146.200.

20 **RCW 19.146.215 Continuing education – Rules.** The designated broker of every licensee shall complete an annual
continuing education requirement, which the director shall define by rule. [1997 c 106 § 11; 1994 c 33 § 11.]

21 Severability – 1997 c 106: See note following RCW 19.146.010.

22 **RCW 19.146.220 Director – Powers and duties – Violations as separate violations – Rules.** (1) The director shall
enforce all laws and rules relating to the licensing of mortgage brokers, grant or deny licenses to mortgage brokers, and
hold hearings.

(2) The director may impose the following sanctions:

24 . . .

(b) Suspend or revoke licenses for:

- 1 (i) False statements or omission of material information on the application that, if known, would have allowed the
 2 director to deny the application for the original license;
 3 (ii) Failure to pay a fee required by the director or maintain the required bond;
 4 (iii) Failure to comply with any directive or order of the director; or
 5 (iv) Any violation of RCW 19.146.050, 19.146.060(3), 19.146.0201 (1) through (9) or (12), 19.146.205(4), or
 6 19.146.265;
 7 (c) Impose fines on the licensee, employee or loan originator of the licensee, or other person subject to this chapter for:
 8 (i) Any violations of RCW 19.146.0201 (1) through (9) or (12), 19.146.030 through 19.146.080, 19.146.200,
 9 19.146.205(4), or 19.146.265; or
 10 (ii) Failure to comply with any directive or order of the director;
 11 . . .
 12 (e) Issue orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed mortgage
 13 broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker or any person subject
 14 to licensing under this chapter for:
 15 (i) Any violation of 19.146.0201(1) through (9) or (12), 19.146.030 through 19.146.080, 19.146.200, 19.146.205(4), or
 16 19.146.265;
 17 . . .
 18 (iv) Failure to comply with any directive or order of the director.
 19
 20 (3) Each day's continuance of a violation or failure to comply with any directive or order of the director is a separate and
 21 distinct violation or failure.
 22 . . .
 23 [1997 c 106 § 12; 1997 c 58 § 879; 1996 c 103 § 1; 1994 c 33 § 12; 1993 c 468 § 8.]

24 **RCW 19.146.221 Action by director – Hearing – Sanction.** The director may, at his or her discretion and as provided
 25 for in *RCW 19.146.220(2), take any action specified in RCW 19.146.220(1). If the person subject to such action does
 not appear in person or by counsel at the time and place designated for any administrative hearing that may be held on
 the action then the person shall be deemed to consent to the action. If the person subject to the action consents, or if after
 hearing the director finds by a preponderance of the evidence that any grounds for sanctions under this chapter exist, then
 the director may impose any sanction authorized by this chapter. [1994 c 33 § 13.]

RCW 19.146.223 Director – Administration and interpretation. The director shall have the power and broad
 administrative discretion to administer and interpret the provisions of this chapter to fulfill the intent of the legislature as
 expressed in RCW 19.146.005. [1994 c 33 § 2.]

RCW 19.146.228 Fees – Rules – Exception. The director shall establish fees by rule in accordance with RCW 43.24.086
 sufficient to cover, but not exceed, the costs of administering this chapter. These fees may include:
 (1) An annual assessment paid by each licensee on or before a date specified by rule
 (2) An investigation fee to cover the costs of any investigation of the books and records of a licensee or other person
 subject to this chapter; [1997 c 106 § 13; 1994 c 33 § 9.]

RCW 19.146.230 Administrative procedure act application. The proceedings for denying license applications, issuing
 cease and desist orders, suspending or revoking licenses, and imposing civil penalties or other remedies issued pursuant
 to this chapter and any appeal therefrom or review thereof shall be governed by the provisions of the administrative
 procedure act, chapter 34.05 RCW. [1994 c 33 § 16; 1993 c 468 § 10.]

1 **WAC 208-660-042 Continuing education requirement.** (1) The principal or designated broker of a licensee
2 must satisfactorily complete an approved continuing education course annually. Each licensee must file annually a
3 certificate of satisfactory completion of an approved continuing education course by the licensee's principal or designated
4 broker no later than the last business day of the month in which the anniversary date of the issuance of the licensee's
5 license occurs.

(2) This section applies to each licensee beginning on the first anniversary date of the issuance of the licensee's license
which occurs after December 31, 1995. (For example, if a licensee's license was issued on January 10, 1994, then the
licensee must submit its first certificate of satisfactory completion of an approved continuing education course no later
than the last business day of January 1996.)

[Statutory Authority: [RCW 43.320.010](#), [19.146.223](#). 01-01-044, § 208-660-042, filed 12/8/00, effective 1/8/01; 96-04-
028, recodified as § 208-660-042, filed 2/1/96, effective 4/1/96. Statutory Authority: [RCW 19.146.225](#). 95-13-091, § 50-
60-042, filed 6/21/95, effective 7/22/95.]

7 **WAC 208-660-060 Department's fees and assessments.**

8
9 (2) Upon completion of any examination of the books and records of a licensee, the department will furnish to the
10 licensee a billing to cover the cost of the examination. The examination charge will be calculated at the rate of \$46.26 per
11 hour that each staff person devoted to the examination. The examination billing will be paid by the licensee promptly
12 upon receipt. Licensees that were issued licenses prior to March 21, 1994, have prepaid in their initial license fee the cost
of the first compliance examination of the licensee conducted by the department during the first two years after the date of
issuance of the license.

(3) Each licensee shall pay to the director an annual assessment of \$513.95 for each license, and \$513.95 for each
branch office certificate. The annual assessment(s) will be due no later than the last business day of the month in which
the anniversary date of the issuance of the broker's license occurs.

13 **WAC 208-660-150 Disclosure of significant developments.**

(1) A licensee must notify the director in writing within thirty days after the occurrence of any of the following
developments:

- (a) Licensee's filing for bankruptcy or reorganization.
- (b) Receipt of notification of license revocation procedures in any state against the licensee.
- (c) The filing of a felony indictment or information related to mortgage brokering activities of the licensee, or any
officer, director, principal, or designated broker of the licensee.
- (d) The licensee, or any officer, director, principal, or designated broker of the licensee being convicted of a felony.
- (e) Receipt of notification of cancellation of the licensee's surety bond or approved alternative, or any significant
decline in value of an approved alternative held by the director.
- (f) The filing of any material litigation against the licensee.

(2) A licensee must notify the director in writing ten days prior to a change of the location of the licensee's principal place
of business or any of its branch offices.

(3) A licensee must notify the director in writing within five days after a change in the licensee's:

- (a) Name or legal status (e.g., from sole proprietor to corporation, etc.);
- (b) Mailing address or telephone number;
- (c) President, partner, designated broker, or branch office manager;
- (d) Trust account (e.g., change in the status, location, or account number);
- (e) State master business license; or
- (f) Standing with the state of Washington secretary of state.

[96-04-028, recodified as § 208-660-150, filed 2/1/96, effective 4/1/96. Statutory Authority: [RCW 19.146.225](#). 95-13-091,
§ 50-60-150, filed 6/21/95, effective 7/22/95. Statutory Authority: 1993 c 468 § 9. 94-03-009, § 50-60-150, filed 1/7/94,
effective 2/7/94.]

1 **WAC 208-660-160 License application denial or condition; license suspension or revocation.** The director may
2 deny or condition approval of a license application, or suspend or revoke a license if the applicant or licensee, or any
principal or designated broker of the applicant or licensee:

(1) Has failed to pay a fee due to the state in accordance with the Mortgage Broker Practices Act;

3 ...
4 (13) Has failed to comply with an order, directive, or requirement of the director, or his or her designee, or with an
assurance of discontinuance entered into with the director, or his or her designee;

5 **WAC 208-660-165 Fines and penalties for violation of the Mortgage Broker Practices Act.** Each mortgage
broker and each of its principals, designated brokers, officers, employees, independent contractors, and agents shall
6 comply with the applicable provisions of the Mortgage Broker Practices Act. Each violation of any applicable provision of
the Mortgage Broker Practices Act, or of any order, directive, or requirement of the director may, at the discretion of the
7 director, subject the violator to a fine of up to one hundred dollars for each offense. Each day's continuance of the
violation is a separate and distinct offense. In addition, the director in his or her discretion may by order assess other
penalties for a violation of the Mortgage Broker Practices Act.