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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:  
  
Affordable Terms Mortgage/ATM/Loan One  
Respondent.

NO. C-04-021-04-SC01

FINAL ORDER

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 March 9, 2004, the Director through her designee Consumer Services Division Director and Enforcement Chief Chuck Cross, entered a Statement of Charges and Notice of Intent to Revoke License, Impose Fines, 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 May 13, 2004, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Affordable Terms Mortgage and Cameron Parkes, the owner and designated broker. The Department of Financial Institutions of the State of Washington (Department) served the Statement of Charges, cover letter dated May 13, 2004, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Affordable Terms Mortgage and Cameron Parkes on Respondent Parkes by certified mail on June 5, 2004. Respondent Parkes responded to the Statement of Charges and a Consent Order was negotiated with him individually. Due to the fact that Respondent Parkes had sold Affordable Terms Mortgage to a Robert Christiansen on July 1, 2000, the Department served the Statement of Charges, Notice of

1 Opportunity for Hearing and the Application for Adjudicative Hearing on the new owner of Affordable  
2 Terms Mortgage, Robert Christiansen, by Federal Express on June 22, 2004, along with a cover letter  
3 dated June 17, 2004, explaining the circumstance of the service upon him. Robert Christiansen failed to  
4 request an adjudicative hearing within twenty days after service as required by Department rule WAC  
5 208-08-050.

6 B. Record Presented. The record presented to the Director for her review and for entry of a  
7 final decision included the Statement of Charges, cover letters dated May 13, 2004 and June 17, 2004,  
8 Notice of Opportunity to Defend and Opportunity for Hearing, blank Applications for Adjudicative Hearing  
9 for Affordable Terms Mortgage and Cameron Parkes, and documentation of service on Affordable Terms  
10 Mortgage.

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

## 14 II. FINAL ORDER

15 Based upon the foregoing, and the Director having considered the record and being  
16 otherwise fully advised,

17 NOW, THEREFORE:

18 A. IT IS HEREBY ORDERED, That:

19 The mortgage broker license held by Respondent Affordable Terms Mortgage/ATM/Loan One be revoked, and

20 Respondent must pay the annual assessments due, in the amount of \$1575.76; and

21 Respondent must pay an examination fee of \$286.68, calculated at \$47.78 per hour for each staff hour devoted to  
22 the investigation (6 hours).

1  
2 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a Petition for  
3 Reconsideration stating the specific grounds upon which relief is requested. The Petition must be filed in the  
4 Office of the Director of the Department of Financial Institutions by courier at 150 Israel Road SW,  
5 Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia, Washington 98504-1200,  
6 within ten (10) days of service of the Final Order upon Respondent. The Petition for Reconsideration shall  
7 not stay the effectiveness of this order nor is a Petition for Reconsideration a prerequisite for seeking judicial  
8 review in this matter.

9  
10 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date the  
11 petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written notice  
12 specifying the date by which it will act on a petition.

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

16 D. Judicial Review. Respondent has the right to petition the superior court for judicial  
17 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing a  
18 Petition for Judicial Review, see RCW 34.050.510 and sections following.

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

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23 DATED this 22<sup>nd</sup> day of September 2004.

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STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS

/s/ \_\_\_\_\_  
Helen P. Howell  
Director

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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:

Affordable Terms Mortgage/ATM/Loan One, and  
Cameron T. Parkes, Owner and Designated Broker,

Respondents.

NO. C-04-021-04-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENT TO REVOKE LICENSE,  
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. **Affordable Terms Mortgage/ATM/Loan One ("Affordable Terms")** is known to have conducted the business of a mortgage broker at:

3841 Southwest Hall Boulevard  
Beaverton, Oregon 97005.

B. **Cameron T. Parkes ("Parkes")** is known to be an owner of Affordable Terms. Parkes was named designated broker on January 12, 2000.

**1.2 License:** Respondent Affordable Terms was licensed by the Department of Financial Institutions ("Department") to conduct business as a mortgage broker on January 12, 2000, and has continued to be licensed to date.

1 **1.3 Failure to Pay Annual Assessment:** Payment of the annual assessment is due to the Department no  
2 later than the last business day of January of each year. To date, the Department has not received the following  
3 annual assessments due from Respondents:

- 4 A. Payment of the annual assessment of \$513.95 for the year 2001 was due to the Department no  
5 later than the last business day of January 2002.
- 6 B. Payment of the annual assessment of \$530.86 for the years 2002 and 2003 was due to the  
7 Department no later than the last business day of January of 2003 and 2004.
- 8 C. Payment of the annual assessment of \$530.86 for the year 2004 will be due to the Department no  
9 later than the last business day of January 2005.

10 **1.4 Failure to Maintain Bond:** On November 24, 2003, the Department received notice from Cumberland  
11 Casualty and Surety Company that Affordable Terms' surety bond was cancelled. To date, Respondents have  
12 not notified the Department that Affordable Terms' surety bond had expired, nor have Respondents replaced the  
13 surety bond.

14 **1.5 Failure to Submit Continuing Education Certificate:** Certificates of satisfactory completion of an  
15 approved continuing education course were due to the Department no later than the last day of January 2002,  
16 2003, and 2004. To date, the Department has not received the required certificates due from Respondent Parkes.

17 **1.6 Failure to Respond to Directive Requirement:** On November 24, 2003, the Department issued a  
18 directive to Respondents by certified mail requiring submission of Certificates of Completion for Continuing  
19 Education, payment of the annual assessments, and replacement of Affordable Terms' bond. On October 17,  
20 2002, the Department issued a directive to Respondents by certified mail requiring submission of a Certificate of  
21 Completion for Continuing Education and payment of the annual assessment. To date, the Department has not  
22 received any response to its directives.

23 **1.7 Failure to Notify DFI of Significant Developments:**

- 24 A. As stated in 1.4 above, to date, Respondents have not notified the Department of the cancellation  
25 of Affordable Terms' surety bond.



1 notify the Director in writing within five days after a change in the licensee's: name; State master business  
2 license; or standing with the state of Washington Secretary of State.

3 **2.5 Authority to Revoke License:** Pursuant to RCW 19.146.220(2)(b)(ii) and (iii), and WAC 208-660-  
4 160(1), (2), (8), and (13), the Director may revoke a license for failure to pay a required annual assessment, for  
5 failure to maintain the required surety bond, and for failure to comply with any directive or order of the Director.

6 **2.6 Authority to Charge Examination Fee:** Pursuant to RCW 19.146.228(2), and WAC 208-660-060(2), upon  
7 completion of any examination of the books and records of a licensee, the Department will furnish to the licensee a  
8 billing to cover the cost of the examination. The examination charge will be calculated at the rate of forty-seven dollars  
9 and seventy-eight cents (\$47.78) per hour that each staff person devoted to the examination.

10 **2.7 Authority to Impose Fine:** Pursuant to RCW 19.146.220(2)(c)(i) and (ii) and WAC 208-660-165, the  
11 Director may impose fines on the licensee for failure to maintain the required surety bond and for failure to  
12 comply with any directive or order of the Director.

13 **2.8 Authority to Prohibit from the Industry:** Pursuant to RCW 19.146.220(2)(e)(i) and (iv), the Director  
14 may prohibit a covered individual from participation in the conduct of the affairs of a licensed mortgage broker for  
15 failure to maintain the required surety bond and for failure to comply with any directive or order of the Director.

16  
17 **III. NOTICE OF INTENT TO ENTER ORDER**

18 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth in  
19 the above Facts and Grounds for Entry of Order, constitute a basis for the entry of an Order under RCW 19.146.220.

20 Therefore, it is the Director's intention to ORDER that:

- 21 3.1 The mortgage broker license held by Respondent Affordable Terms Mortgage/ATM/Loan One be  
22 revoked; and
- 23 3.2 Respondent Cameron T. Parkes be prohibited from participation in the conduct of the affairs of any  
24 licensed mortgage broker for a period of five (5) years; and
- 25 3.3 Respondents, jointly and severally, pay the annual assessment due, in the amount of \$1575.76, as  
calculated in 1.3 above; and



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- 3.4 Respondents, jointly and severally, pay an examination fee of \$286.68, calculated at \$47.78 per hour for each staff hour devoted to the investigation (6 hours); and
- 3.5 Respondents, jointly and severally, pay a fine of \$6000.00 for:
  - a) Failure to maintain the required bond, calculated at \$100.00 per day for 30 days; and
  - b) Failure to comply with a directive, calculated at \$100.00 per day for 30 days.

**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 License, Impose Fines and Prohibit from Participation in the Mortgage Broker Industry.

Dated this 9th day of March 2004.

/s/ \_\_\_\_\_  
 CHUCK CROSS, ACTING DIRECTOR  
 DIVISION OF CONSUMER SERVICES  
 DEPARTMENT OF FINANCIAL INSTITUTIONS

Presented by:

\_\_\_\_\_  
 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:

(a) Deny applications for licenses for: (i) Violations of orders, including cease and desist orders issued under this  
chapter; or (ii) any violation of RCW [19.146.050](#) or [19.146.0201](#) (1) through (9);

(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  
director to deny the application for the original license;
- 2 (ii) Failure to pay a fee required by the director or maintain the required bond;
- 3 (iii) Failure to comply with any directive or order of the director; or
- 4 (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  
[19.146.265](#);
- 5 (c) Impose fines on the licensee, employee or loan originator of the licensee, or other person subject to this chapter for:
- 6 (i) Any violations of RCW [19.146.0201](#) (1) through (9) or (12), [19.146.030](#) through [19.146.080](#), [19.146.200](#),  
[19.146.205](#)(4), or [19.146.265](#); or
- 7 (ii) Failure to comply with any directive or order of the director;
- 8 (d) Issue orders directing a licensee, its employee or loan originator, or other person subject to this chapter to:
- 9 (i) Cease and desist from conducting business in a manner that is injurious to the public or violates any provision of  
this chapter; or
- 10 (ii) Pay restitution to an injured borrower; or
- 11 (e) Issue orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed  
mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker or any  
person subject to licensing under this chapter for:
- 12 (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 [19.146.265](#); or
- 13 (ii) False statements or omission of material information on the application that, if known, would have allowed the  
director to deny the application for the original license;
- 14 (iii) Conviction of a gross misdemeanor involving dishonesty or financial misconduct or a felony after obtaining a  
license; or
- 15 (iv) Failure to comply with any directive or order of the director.

16 (3) Each day's continuance of a violation or failure to comply with any directive or order of the director is a separate and  
distinct violation or failure.

17 (4) The director shall establish by rule standards for licensure of applicants licensed in other jurisdictions.

18 (5) The director shall immediately suspend the license or certificate of a person who has been certified pursuant to RCW  
74.20A.320 by the department of social and health services as a person who is not in compliance with a support order or a  
\*residential or visitation order. If the person has continued to meet all other requirements for reinstatement during the  
suspension, reissuance of the license or certificate shall be automatic upon the director's receipt of a release issued by the  
department of social and health services stating that the licensee is in compliance with the order.

19 [1997 c 106 § 12; 1997 c 58 § 879; 1996 c 103 § 1; 1994 c 33 § 12; 1993 c 468 § 8.]

20 **RCW 19.146.221 Action by director – Hearing – Sanction.** The director may, at his or her discretion and as provided  
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.]

21 **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.]

22 **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:

- 23 (1) An annual assessment paid by each licensee on or before a date specified by rule
- 24 (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.]

25 **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

1 to this chapter and any appeal therefrom or review thereof shall be governed by the provisions of the administrative  
2 procedure act, chapter 34.05 RCW. [1994 c 33 § 16; 1993 c 468 § 10.]  
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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 (2) Upon completion of any examination of the books and records of a licensee, the department will furnish to the  
9 licensee a billing to cover the cost of the examination. The examination charge will be calculated at the rate of \$46.26 per  
10 hour that each staff person devoted to the examination. The examination billing will be paid by the licensee promptly  
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.

11 (3) Each licensee shall pay to the director an annual assessment of \$513.95 for each license, and \$513.95 for each  
12 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:

- 14 (a) Licensee's filing for bankruptcy or reorganization.  
15 (b) Receipt of notification of license revocation procedures in any state against the licensee.  
16 (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.  
17 (d) The licensee, or any officer, director, principal, or designated broker of the licensee being convicted of a felony.  
18 (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.  
19 (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:

- 20 (a) Name or legal status (e.g., from sole proprietor to corporation, etc.);  
21 (b) Mailing address or telephone number;  
22 (c) President, partner, designated broker, or branch office manager;  
23 (d) Trust account (e.g., change in the status, location, or account number);  
24 (e) State master business license; or  
25 (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.]

24 **WAC 208-660-160 License application denial or condition; license suspension or revocation.**

1 The director may 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:

- 2 (1) Has failed to pay a fee due to the state in accordance with the Mortgage Broker Practices Act;
- 3 (2) Has not filed the required surety bond or approved alternative or otherwise complied with RCW 19.146.205;
- 4 (3) Has had any license, or any authorization to do business under any similar statute of this or any other state, suspended, revoked, or restricted within the prior five years;
- 5 (4) Has within the prior seven years been convicted of a felony, or a gross misdemeanor involving dishonesty or financial misconduct;
- 6 (5) Has failed to demonstrate financial responsibility, character, and general fitness such as to command the confidence of the community and to warrant a belief that the business will be operated honestly, fairly, and efficiently within the purposes of the Mortgage Broker Practices Act. The director may find that the person has failed to make the demonstration if, among other things:
  - 7 (a) The person is or has been subject to an injunction issued pursuant to the Mortgage Broker Practices Act or the Consumer Protection Act; or
  - 8 (b) An independent credit report issued by a recognized credit reporting agency indicates that the person has a substantial history of unpaid debts;
- 9 (6) Has omitted, misrepresented, or concealed material facts in obtaining a license or in obtaining reinstatement thereof;
- 10 (7) Has violated the provisions of the Mortgage Broker Practices Act, or the Consumer Protection Act;
- 11 (8) Has had its surety bond, approved alternative, or equivalent form of business insurance, canceled or revoked for cause;
- 12 (9) Has allowed the licensed mortgage broker business to deteriorate into a condition which would result in denial of a new application for a license;
- 13 (10) Has aided or abetted an unlicensed person to practice in violation of the Mortgage Broker Practices Act;
- 14 (11) Has demonstrated incompetence or negligence that results in injury to a person or that creates an unreasonable risk that a person may be harmed;
- 15 (12) Is insolvent in the sense that the value of the applicant's or licensee's liabilities exceed its assets or in the sense that the applicant or licensee cannot meet its obligations as they mature;
- 16 (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;
- 17 (14) Has performed an act of misrepresentation or fraud in any aspect of the conduct of the mortgage broker business or profession;
- 18 (15) Has failed to cooperate with the director, or his or her designee, including without limitation by:
  - 19 (a) Not furnishing any necessary papers or documents requested by the director for purposes of conducting an investigation for disciplinary actions or denial, suspension, or revocation of a license; or
  - 20 (b) Not furnishing any necessary papers or documents requested by the director for purposes of conducting an investigation into a complaint against the licensee filed with the department, or providing a full and complete written explanation of the circumstances of the complaint upon request by the director;
- 21 (16) Has interfered with an investigation or disciplinary proceeding by willful misrepresentation of facts before the director or the director's designee, or by the use of threats or harassment against a client, witness, employee of the licensee, or representative of the director for the purpose of preventing them from discovering evidence for, or providing evidence in, any disciplinary proceeding or other legal action;
- 22 (17) Has failed to provide a required certificate of passing an approved examination;
- 23 (18) Has failed to provide a required certificate of satisfactory completion of an approved licensing course or, in the alternative, satisfactory proof of two years' experience in accordance with WAC 208-660-040; or
- 24 (19) Has failed to provide a required certificate of satisfactory completion of an approved continuing education course.

25 [Statutory Authority: RCW 43.320.010, 19.146.223. 01-01-044, § 208-660-160, filed 12/8/00, effective 1/8/01; 96-04-028, recodified as § 208-660-160, filed 2/1/96, effective 4/1/96. Statutory Authority: RCW 19.146.225. 95-13-091, § 50-60-160, filed 6/21/95, effective 7/22/95. Statutory Authority: 1993 c 468 § 9. 94-03-009, § 50-60-160, filed 1/7/94, effective 2/7/94.]

1 **WAC 208-660-165 Fines and penalties for violation of the Mortgage Broker Practices Act.**

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

8 [96-04-028, recodified as § 208-660-165, filed 2/1/96, effective 4/1/96. Statutory Authority: RCW 19.146.225. 95-13-091,  
9 § 50-60-165, filed 6/21/95, effective 7/22/95; 94-23-033, § 50-60-165, filed 11/8/94, effective 12/9/94.]  
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