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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
Mortgage Broker Practices Act of Washington
by:

NO. C-04-192-08-CO01

CONSENT ORDER

COUNTRY HOME FINANCE, INC., and
ERIC ANDERSON, Owner and DEBBIE
ANDERSON, Designated Broker,

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee
Deborah Bortner, Division Director, Division of Consumer Services, and Country Home Finance, Inc.
(hereinafter Respondent CHF), Eric Anderson, owner (hereinafter Respondent Eric Anderson), and Debbie
Anderson, Designated Broker (hereinafter Respondent Debbie Anderson), and finding that the issues raised in
the above captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order.
This Consent Order is entered pursuant to chapter 19.146 of 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-
192-07-SC02 (Statement of Charges), entered August 7, 2007, (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. Respondents are agreeing not
to contest the Statement of Charges in consideration of the terms of this Consent Order.

CONSENT ORDER
C-04-192-08-CO01
Country Home Finance, Inc., Eric Anderson, and
Debbie Anderson

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

1 Based upon the foregoing:

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

4 B. **Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a hearing
5 before an administrative law judge, and that they hereby waive their right to a hearing and any and all
6 administrative and judicial review of the issues raised in this matter, or of the resolution reached herein.
7 Accordingly, Respondents agree to withdraw their appeal and to inform the Office of Administrative Hearings
8 in writing of their withdrawal.

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

11 D. **Prohibition from Industry.** It is AGREED that Respondents are prohibited from participating in
12 the conduct of the affairs of any mortgage broker licensed by the Department or any person subject to licensure
13 or regulation by the Department or any mortgage broker exempt from Washington law under RCW
14 19.146.020(1)(e) or (g) for five (5) years from the date of entry of this Consent Order in any capacity, including
15 but not limited to: (1) any financial capacity whether active or passive or (2) as an officer, director, principal,
16 designated broker, employee, or loan originator.

17 E. **Investigation Fee.** It is AGREED that Respondents shall pay to the Department an investigation
18 fee of \$1,000, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of
19 this Consent Order.

20 F. **Responsibility for Independent Contractor's Violations.** Pursuant to RCW 19.146.245, a
21 licensed mortgage broker is liable for any conduct violation chapter 19.146 by the designated broker, a loan
22 originator, or other licensed mortgage broker while employed or engaged by the licensed mortgage broker.
23 Respondents were not a party to the conduct of the loan originators but agree that the conduct of the loan
24 originators could have been avoided by sufficient oversight and supervision.

25

1 **G. Maintenance of Records.** It is AGREED that upon entry of this Consent Order Respondents shall
2 maintain records in compliance with the Act and provide the Department with the location of the books, records
3 and other information relating to Respondent CHF's mortgage broker business, and the name, address and
4 telephone number of the individual responsible for maintenance of such records in compliance with the Act.

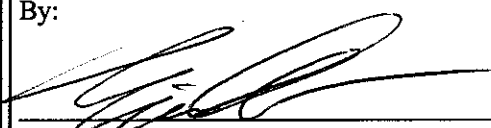
5 **H. Authority to Execute Order.** It is AGREED that the undersigned Respondents have represented
6 and warranted that they have the full power and right to execute this Consent Order on behalf of the parties
7 represented.

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

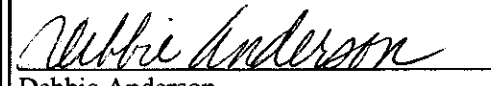
12 **J. Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily entered
13 into this Consent Order, which is effective when signed by the Director's designee.

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

16 **RESPONDENTS:**

17 **Country Home Finance, Inc.**
18 By: 
19 _____
20 Eric Anderson
21 Owner

7-18-08
Date

22 
23 _____
24 Debbie Anderson
25 Designated Broker

7-18-08
Date

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[Signature]
Eric Anderson
Individually

7-18-08
Date

[Signature]
Debbie Anderson
Individually

7-18-08
Date

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 30th DAY OF July, 2008.

[Signature]
DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

[Signature]
FATIMA BATIE
Financial Legal Examiner Supervisor



Approved by:

[Signature]
JAMES R. BRUSSELBACK
Enforcement Chief

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

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

Country Home Finance, Inc. and
Eric Anderson, Owner and Debbie Anderson,
Designated Broker,

Respondents.

NO. C-04-192-07-SC02

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO PROHIBIT FROM INDUSTRY
AND COLLECT INVESTIGATION FEE

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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)¹. After having conducted an investigation pursuant to RCW 19.146.235, 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 Deborah Bortner, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. Country Home Finance, Inc. was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on June 29, 2001,

¹ RCW 19.146 (1994) as effective until December 31, 2004

1 and voluntarily surrendered their license to the Department on August 31, 2006. Respondent Country
2 Home Finance, Inc. was licensed to conduct the business of a mortgage broker at the following
3 locations:

4 2315 170th St. E.
5 Tacoma, WA 98445
6 Main Office, Closed August 31, 2006

7 5404 Tucannon Ave.
8 Kennewick, WA 99336
9 Branch Office, Closed April 1, 2005

10 11019 A St. S
11 Tacoma, WA 98444
12 Branch Office, Closed November 22, 2004

13 2112 Black Lake Blvd.
14 Olympia, WA 98502
15 Branch Office, Closed August 15, 2003

16 **B. Eric Anderson** is the owner of Respondent Country Home Finance, Inc.

17 **C. Debbie Anderson** is the Designated Broker of Respondent Country Home Finance,
18 Inc. Respondent Debbie Anderson was named Designated Broker of Respondent Country Home
19 Finance, Inc. on June 29, 2001, and continued as Designated Broker until August 31, 2006.

20 **1.2 Investigation.** On September 8, 2004, the Department opened Investigation # C-04-192 based
21 on complaints relating to Country Home Finance, Inc. and Loan Officer Bruce Santana (Santana). On
22 May 25, 2006, in the Superior Court of Benton County, in Cause No. 06-1-00411-0, Santana was
23 convicted of two counts of Theft 1, in violation of RCW 9A.56.030 and two counts of Forgery, in
24 violation of RCW 9A.60.020. The charges stem from Santana's theft of \$30,000 in proceeds from a
25 consumer's loan. At the time of the theft of the proceeds of the consumer's loan Santana was an
Independent Contractor with Country Home Finance, Inc. who brokered the consumer's loan.

1 On December 28, 2004, the Department opened Investigation # C-04-258, based on complaints
2 relating to Country Home Finance Loan Officer Jerald Anthony Hansen (Hansen). On March 15,
3 2007, in the Superior Court of Clark County, in Cause No. 06-1-01681-7, Hansen was convicted of 68
4 counts of Theft 2, in violation of RCW 9A.56.040. The charges stem from Hansen charging
5 consumers a fee for a mortgage acceleration payment plan then failing to enroll the consumers in the
6 plan. At the time of the thefts, Hansen was an independent contractor with Country Home Finance,
7 Inc., who brokered the consumer's loans.

9 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the
10 Act by Respondents continues to date.

11 II. GROUNDS FOR ENTRY OF ORDER

12 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(12) and WAC 208-660-
13 010(29), "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of
14 compensation or gain (a) makes a residential mortgage loan or assists a person in obtaining or
15 applying to obtain a residential mortgage loan or (b) holds himself or herself out as being able to make
16 a residential mortgage loan or assist a person in obtaining or applying to obtain a residential mortgage
17 loan.

19 **2.2 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents
20 are in apparent violation of RCW 19.146.0201(1), (2), and (3) for directly or indirectly employing a
21 scheme, device or artifice to defraud or mislead borrowers or lenders or any person, engaging in an
22 unfair or deceptive practice toward any person, obtaining property by fraud or misrepresentation.

23 **2.3 Responsibility for Independent Contractor's Violations.** Pursuant to RCW 19.146.200(1)
24 and WAC 208-660-120, a person who independently contracts with a licensed mortgage broker need
25 not be licensed if the licensed mortgage broker and the independent contractor have on file with the

1 Director a binding written agreement under which the licensed mortgage broker assumes responsibility
2 for the independent contractor's violations of any provision of the Act. Pursuant to RCW 19.146.245,
3 a licensed mortgage broker is liable for any conduct violating this chapter by the designated broker, a
4 loan originator, or other licensed mortgage broker while employed or engaged by the licensed
5 mortgage broker.

6 III. AUTHORITY TO IMPOSE SANCTIONS

7 **3.1 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(2)(e)(i), (ii), (iii) and
8 (iv), the Director may issue orders removing from office or prohibiting from participation in the
9 conduct of the affairs of a licensed mortgage broker, or both, any officer, principal, employee, or loan
10 originator of any licensed mortgage broker or any person subject to licensing under the Act for any
11 violation of RCW 19.146.0201(1) through (9) or (12), RCW 19.146.030 through RCW 19.146.080,
12 RCW 19.146.200, RCW 19.146.205(4), or RCW 19.146.265, false statements or omission of material
13 information on the application that, if known, would have allowed the Director to deny the application
14 for the original license, conviction of a gross misdemeanor involving dishonesty or financial
15 misconduct or a felony after obtaining a license, or failure to comply with a directive or order of the
16 Director.

17 **3.2 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-060(4)
18 and WAC 208-660-061, upon completion of any investigation of the books and records of a licensee or
19 other person subject to the Act, the Department will furnish to the licensee or other person subject to the
20 Act a billing to cover the cost of the investigation. The investigation charge will be calculated at the rate
21 of forty-seven dollars and seventy-eight cents (\$47.78) per hour that each staff person devoted to the
22 investigation.
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1 **IV. NOTICE OF INTENTION TO ENTER ORDER**

2 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 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 19.146.220, RCW 19.146.221 and
5 RCW 19.146.223. Therefore, it is the Director's intention to ORDER that:

- 6 **4.1** Respondent Country Home Finance, Inc. be prohibited from participation in the conduct of the
7 affairs of any mortgage broker subject to licensure by the Director, in any manner, for a period of
8 Five (5) years; and
- 9 **4.2** Respondent Eric Anderson be prohibited from participation in the conduct of the affairs of any
10 mortgage broker subject to licensure by the Director, in any manner, for a period of Five (5) years;
11 and
- 12 **4.3** Respondent Debbie Anderson be prohibited from participation in the conduct of the affairs of any
13 mortgage broker subject to licensure by the Director, in any manner, for a period of Five (5) years;
14 and
- 15 **4.4** Respondents Country Home Finance, Inc., Debbie Anderson and Eric Anderson jointly and
16 severally pay an investigation fee in the amount of \$2,236.10 calculated at \$47.78 per hour for the
17 46.8 staff hours devoted to the investigation; and
- 18 **4.5** Respondents maintain records in compliance with the Act and provide the Department with the
19 location of the books, records and other information relating to Respondent Country Home
20 Finance Inc.'s mortgage broker business, and the name, address and telephone number of the
21 individual responsible for maintenance of such records in compliance with the Act.

22 **V. AUTHORITY AND PROCEDURE**

23 This Statement of Charges and Notice of Intention to Enter an Order to Prohibit From Industry
24 and Collect Investigation Fee (Statement of Charges) is entered pursuant to the provisions of
25 RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the
provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondent 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.

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Dated this 17th day of August, 2007.



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

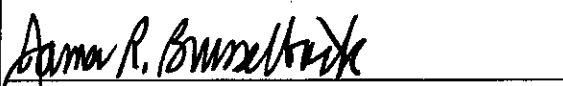
Presented by:



EDWARD P. JURSEK
Financial Legal Examiner



Approved by:



JAMES R. BRUSSELBACK
Enforcement Chief