

Terms Completed

ORDER SUMMARY – Case Number: C-08-196

Name(s): Jeffery Glen Byers

Order Number: C-08-196-09-CO01

Effective Date: September 1, 2009

License Number: DFI: 32832
Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)
If applicable, you must specifically note the ending dates of terms.

License Effect: n/a

Not Apply Until: n/a

Not Eligible Until: n/a

Prohibition/Ban Until: n/a

Investigation Costs	\$432	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$1,500	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
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
DIVISION OF CONSUMER SERVICES**

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

NO. C-08-196-09-CO01

JEFFERY GLEN BYERS,
Loan Originator,

CONSENT ORDER

Respondent.

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COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Jeffery Glen Byers (hereinafter Respondent), and finding that the issues raised in the above-captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of the Revised Code of Washington (RCW) and RCW 34.05.060 of the Administrative Procedure Act based on the following:

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AGREEMENT AND ORDER

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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-07-196-08-SC01 (Statement of Charges), entered September 19, 2008 (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, Respondent hereby agrees to the Department's entry of this Consent Order and further agrees 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. Respondent is agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

CONSENT ORDER
C-08-196-09-CO01
Jeffery Glen Byers

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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 Respondent has been informed of the right to a hearing
5 before an administrative law judge, and that he hereby waives his 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, by his signature below, Respondent withdraws his appeal.

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

10 D. **Fine.** It is AGREED that Respondent shall pay to the Department a fine of \$1,500 in the form of
11 postal money orders made payable to the "Washington State Treasurer" upon entry of this Consent Order.

12 E. **Investigation Fee.** It is AGREED that Respondent shall pay to the Department an investigation
13 fee of \$432 in the form of a postal money order made payable to the "Washington State Treasurer" upon
14 entry of this Consent Order.

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

19 G. **Voluntarily Entered.** It is AGREED that the undersigned Respondent has voluntarily entered
20 into this Consent Order, which is effective when signed by the Director's designee.

21 H. **Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read this
22 Consent Order in its entirety and fully understands and agrees to all of the same.
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2 **RESPONDENT:**

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4 Jeffery Glen Byers
Loan Originator

8-19-2009
Date

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6 Steven M. Bobman
7 Attorney for Respondent

8/19/09
Date

8 **DO NOT WRITE BELOW THIS LINE**

9 THIS ORDER ENTERED THIS 1st DAY OF September 2009.

10
11 Deborah Bortner
12 DEBORAH BORTNER
13 Director
14 Division of Consumer Services
Department of Financial Institutions

15 Presented by:

16 Steven C. Sherman
17 STEVEN C. SHERMAN
18 Financial Legal Examiner



19 Approved by:

20 James R. Brusselback
21 JAMES R. BRUSSELBACK
22 Enforcement Chief

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CONSENT ORDER
C-08-196-09-CO01
Jeffery Glen Byers

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4 **STATE OF WASHINGTON**
5 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
6 **DIVISION OF CONSUMER SERVICES**

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

11 JEFFERY GLEN BYERS,
12 Loan Originator,

13 Respondent.

NO. C-08-196-08-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO SUSPEND LICENSE,
IMPOSE FINE, AND COLLECT
INVESTIGATION FEE

14 **INTRODUCTION**

15 Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial
16 Institutions of the State of Washington (Director) is responsible for the administration of chapter 19.146
17 RCW, the Mortgage Broker Practices Act (Act)¹. After having conducted an investigation pursuant to
18 RCW 19.146.235, and based upon the facts available as of the date of this Statement of Charges, the
19 Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes this
20 proceeding and finds as follows:

21 **I. FACTUAL ALLEGATIONS**

22 **1.1 Respondent. Jeffery Glen Byers (Respondent)** was licensed by the Department of Financial
23 Institutions of the State of Washington (Department) to conduct business as a loan originator on
24 February 15, 2007, and has continued to be licensed to date. Respondent is licensed to conduct the
25 business of a loan originator for A+ Mortgage, Inc., a licensed mortgage broker.

¹ RCW 19.146 (2006)

1 **1.2 Prohibited Acts.**

2 A. On or about March 15, 2007, borrower S.F. applied with A+ Mortgage, Inc., for a loan to
3 refinance her primary residence. Respondent was the loan originator who assisted the borrower with
4 the application. At the same time, Respondent was training S.F. to be a loan originator for A+
5 Mortgage, Inc. Page two of the application Respondent prepared for the borrower states the
6 borrower's base employment income to be \$10,000. This income information on the application is in
7 handwriting, whereas the remainder of the information on the application is typed. At the time the
8 borrower signed the application, the income section was blank, and the Respondent was aware that the
9 borrower's income was substantially less than \$10,000. Respondent subsequently submitted a second
10 application to the lender with a stated income of \$13,750, and the borrower obtained a loan based
11 upon this over-stated income. Respondent later provided a statement to the Department stating that
12 the account representative for the lender required the increase in income to keep the debt-to-income
13 ratio below 40%.

15 B. Also on or about March 15, 2007, Respondent assisted borrower S.F. with applying for a
16 loan to refinance an investment property. Respondent prepared a loan application for the borrower
17 stating the borrower's income from employment to be \$10,000. This income information appears on
18 the application in handwriting, whereas the remainder of the information on the application is typed.
19 Respondent subsequently submitted a second application to the lender with a stated income of
20 \$13,750, and the borrower obtained a loan based upon this over-stated income. Respondent later
21 provided a statement to the Department stating that the account representative for the lender required
22 the increase in income to keep the debt-to-income ratio below 40%.

1 **1.3 Failure to Properly Disclose the Yield Spread Premium.** Respondent prepared an initial
2 Good Faith Estimate (GFE) for each of the loans described in paragraph 1.2, above. Each GFE
3 contains the following language under a section entitled Compensation to Broker, "ysp 1-3%."

4 **1.4 Failure to Properly Make Truth-in-Lending Disclosures.** Respondent prepared an initial
5 Truth-in-Lending Disclosures (TIL) for each of the loans described in paragraph 1.2, above. Each TIL
6 includes a payment stream for a variable rate mortgage, but the check box to disclose a "variable rate
7 feature" was not checked.

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9 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the
10 Act by Respondent continues to date.

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

12 **2.1 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondent is
13 in apparent violation of RCW 19.146.0201(1), (2), and (3) for directly or indirectly employing a
14 scheme, device, or artifice to defraud or mislead borrowers or lenders or any person, for engaging in
15 an unfair or deceptive practice toward any person, and for obtaining property by fraud or
16 misrepresentation.

17 **2.2 Requirement to Properly Disclose Yield Spread Premium.** Based on the Factual
18 Allegations set forth in Section I above, Respondent is in apparent violation of RCW 19.146.0201(6)
19 and (11) for failure to properly disclose the yield spread premium on the initial GFE for each loan
20 described in paragraph 1.2 above.

21
22 **2.3 Requirement to Properly Complete Truth-in-Lending Disclosures.** Based on the Factual
23 Allegations set forth in Section I above, Respondent is in apparent violation of RCW 19.146.0201(6),
24 (11), and (15) for failure to properly complete the initial TIL for each loan described in paragraph 1.2,
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1 above, and RCW 19.146.030(1) and (2)(a) for failure to properly complete the initial TIL for the loan
2 described in paragraph 1.2 A, above.

3 **III. AUTHORITY TO IMPOSE SANCTIONS**

4 **3.1 Authority to Suspend License.** Pursuant to RCW 19.146.220(2)(e), the Director may suspend
5 a license for any violation of the Act.

6 **3.2 Authority to Impose Fine.** Pursuant to RCW 19.146.220(3)(a), the Director may impose fines
7 on a loan originator for any violations of RCW 19.146.0201(1), (2), or (3).

8 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-660-
9 550(5), the Director may collect the costs of an investigation. The investigation charge will be calculated
10 at the rate of \$48 per hour that each staff person devoted to the investigation.
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12 **IV. NOTICE OF INTENTION TO ENTER ORDER**

13 Respondent's violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as
14 set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
15 Sanctions, constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221, and
16 RCW 19.146.223. Therefore, it is the Director's intention to ORDER that:

17 **4.1** Respondent Jeffery Glen Byers' license to conduct the business of a loan originator shall be
18 suspended for a period of six months; and

19 **4.2** Respondent Jeffery Glen Byers shall pay a fine which as of the date of these charges totals
20 \$7,500;

21 **4.3** Respondent Jeffery Glen Byers shall pay an investigation fee which as of the date of these charges
22 totals \$432, calculated at \$48 per hour for the nine staff hours devoted to the investigation to date.

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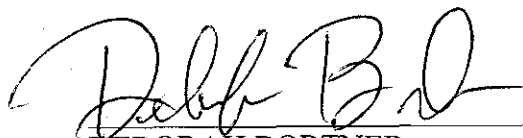
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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Suspend License,
3 Impose Fine, and Collect Investigation Fee (Statement of Charges) is entered pursuant to the
4 provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is
5 subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondent may
6 make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND
7 AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.
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9 Dated this 19th day of September, 2008.
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13 DEBORAH BORTNER

14 Director

15 Division of Consumer Services


16 Department of Financial Institutions

17 Presented by:

18 
19 STEVEN C. SHERMAN
20 Financial Legal Examiner
21



22 Approved by:

23 
24 JAMES R. BRUSSELBACK
25 Enforcement Chief