

Terms Completed

ORDER SUMMARY – Case Number: C-10-379

Name(s): Trusted Home Mortgage Inc.

Order Number: C-10-379-12-CO01

Effective Date: April 9, 2012

License Number: DFI: 27742 NMLS ID: 54539
Or NMLS Identifier [U/L]

License Effect: N/A

Not Apply Until: April 9, 2017

Not Eligible Until: April 9, 2017

Prohibition/Ban Until: April 9, 2017

Investigation Costs	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$	Due	Paid <input 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: Also five year ban from date of entry from Consumer Loan companies.

RECEIVED

APR 04 2012

ENFORCEMENT UNIT
DIVISION OF CONSUMER SERVICES
DEPT OF FINANCIAL INSTITUTIONS

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:
Trusted Home Mortgage, Inc.,
Respondent.

No.: C-10-379-12-CO01

CONSENT ORDER

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Trusted Home Mortgage, Inc. (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:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-10-379-11-SC01 (Statement of Charges), entered April 12, 2011, (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.

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
C-10-379-12-CO01
Trusted Home Mortgage, Inc.

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902.8703

1 **B. Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a
2 hearing before an administrative law judge, and hereby waives its right to a hearing and any and all
3 administrative and judicial review of the issues raised in this matter, or of the resolution reached
4 herein. Accordingly, Respondent, by the signature of its representative below, withdraws its appeal
5 to the Office of Administrative Hearings.

6 **C. Prohibition from Industry.** It is AGREED that, for a period of five years from the date
7 of entry of this Consent Order, Respondent is prohibited from participating in the conduct of the
8 affairs of any mortgage broker or consumer loan company licensed by the Department or subject to
9 licensure or regulation by the Department. It is AGREED that the prohibition in this Paragraph shall
10 not apply to any owners, officers, employees, or agents of Respondent.

11 **D. Declaration of Financial Condition.** It is AGREED that Respondent has provided the
12 Department with a Declaration comprehensively describing its current financial condition and
13 representing its current inability to pay the fine, restitution, and investigation fee sought in the
14 Statement of Charges.

15 **E. Authority to Execute Order.** It is AGREED that the undersigned has represented and
16 warranted that he has the full power and right to execute this Consent Order on behalf of the parties
17 represented.

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

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

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

3 **RESPONDENTS:**

4 **Trusted Home Mortgage, Inc.**

5 By: _____

6 [Redacted Signature]

7 Russell Shulman
President

Date 3/30/2012

8 DO NOT WRITE BELOW THIS LINE

9 THIS ORDER ENTERED THIS 9th DAY OF April, 2012

10 [Redacted Signature]

11 DEBORAH BORTNER
12 Director
13 Division of Consumer Services
Department of Financial Institutions

14 Presented by: _____

15 [Redacted Signature]

16 ROBERT E. JONES
17 Financial Legal Examiner



18 Approved by: _____

19 [Redacted Signature]

20 JAMES R. BRUSSELBACK
21 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:

TRUSTED HOME MORTGAGE, INC.,

Respondent.

No. C-10-379-11-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO IMPOSE FINE, ORDER
RESTITUTION, 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)¹. After having conducted an investigation
pursuant to RCW 19.146.235, and based upon the facts available as of 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:

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I. FACTUAL ALLEGATIONS

1.1 Respondent Trusted Home Mortgage, Inc. (Respondent) was licensed by the Department
of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage
broker on or about July 8, 2005, and continues to be licensed to date.

1.2 Prohibited Acts. On or about June 5, 2006, Respondent took applications for two residential
mortgage loans from borrower RL. Respondent provided a Good Faith Estimate of settlement service
charges to borrower RL on or about June 5, 2006. This Good Faith Estimate disclosed that the
borrower would be charged an "Admin Fee" of \$185 and a "YSP" (Yield Spread Premium) of "up to
3%" but did not specify that those fees inured to Respondent's benefit. Borrower RL's loan closed

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¹ RCW 19.146 (1994)
STATEMENT OF CHARGES
C-10-379-11-SC01
Trusted Home Mortgage, Inc.

1 on or about June 27, 2006, and Respondent received fees totaling \$5,145.04. Those fees included a
2 loan origination fee of \$3,307.73; an “admin fee” of \$185; and yield spread premiums of \$526.50 and
3 \$1,125.81.

4 **1.3 Consumer Complaint.** On or about October 1, 2009, the Department received a complaint
5 from borrower RL stating that Respondent mislead him regarding the terms of his mortgage loans.
6 The Department issued a Resolution and Request for Action to Respondent Trusted Home Mortgage
7 on or about September 9, 2010, informing Respondent Trusted Home Mortgage of the violations and
8 requesting that Respondent Trusted Home Mortgage take remedial actions. Respondent Trusted
9 Home Mortgage declined to take any remedial action regarding this complaint. The Department
10 telephoned Respondent on or about October 12, 2010. Respondent indicated that it would not
11 undertake any remedial action regarding this complaint.

12 **1.4 On-Going Investigation.** The Department’s investigation into the alleged violations of the
13 Act by Respondent continues to date.

14 II. GROUNDS FOR ENTRY OF ORDER

15 **2.1 Responsibility for Conduct of Loan Originators.** Pursuant to RCW 19.146.245, a licensed
16 mortgage broker is liable for any conduct violating the Act by the designated broker or a loan
17 originator while employed or engaged by the licensed mortgage broker.

18 **2.2 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondent
19 is in apparent violation of RCW 19.146.0201 (6) for failing to make disclosures to loan applicants
20 and noninstitutional investors as required by RCW 19.146.030 and any other applicable state or
21 federal law.

22 **2.3 Requirement to Disclose Residential Mortgage Loan Fees.** Based on Factual Allegations
23 set forth in Section I above, Respondent is in apparent violation of RCW 19.146.030 for failing to

1 provide borrowers with full written disclosures, containing an itemization and explanation of all fees
2 and costs that the borrowers were required to pay in connection with obtaining a residential mortgage
3 loan, within three days following receipt of a loan application of any moneys from the borrowers.

4 **III. AUTHORITY TO IMPOSE SANCTIONS**

5 **3.1 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(c)(i) and WAC 208-660-165,
6 the Director may impose fines on a licensee, employee or loan originator of the licensee, or other
7 person subject to the Act for any violations of RCW 19.146.0201(1) through (9), and RCW
8 19.146.030.

9 **3.2 Authority to Order Restitution.** Pursuant to RCW 19.146.220(d)(ii), the Director may issue
10 orders directing a licensee, its employee or loan originator, or other person subject to the Act to pay
11 restitution to an injured borrower.

12 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-
13 660-550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time
14 devoted to an investigation of the books and records of a licensee or other person subject to the Act.

15 **IV. NOTICE OF INTENTION TO ENTER ORDER**

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

20 **4.1** Respondent Trusted Home Mortgage, Inc. pay a fine. As of the date of this Statement of
21 Charges, the fine totals \$2,000.

22 **4.2** Respondent Trusted Home Mortgage, Inc. pay restitution totaling \$1,837.31 to the borrower
23 identified in paragraph 1.2 of this Statement of Charges.

1 **4.3** Respondent Trusted Home Mortgage, Inc. pay an investigation fee. As of the date of this
2 Statement of Charges, the investigation fee totals \$1,128.

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24 STATEMENT OF CHARGES
C-10-379-11-SC01
Trusted Home Mortgage, Inc.

1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Impose Fine, Order
3 Restitution and Collect Investigation Fee (Statement of Charges) is entered pursuant to the provisions
4 of RCW 19.146.220, RCW 221, RCW 19.146.223, and RCW 19.146.230, and is subject to the
5 provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondent may make a
6 written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
7 OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

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9 Dated this 12th day of April, 2011



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[Redacted Signature]

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

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[Redacted Signature]

ROBERT E. JONES
Financial Legal Examiner

Approved by:

[Redacted Signature]

JAMES R. BRUSSELBACK
Enforcement Chief