

## ORDER SUMMARY – Case Number: C-16-1905

**Respondents' Names:** Homestead Financial Services, LLC  
Dana Fabian

**Order Number:** C-16-1905-17-FO01

**Effective Date:** November 6, 2017

**License Number:** NA – Unlicensed entities  
**Or NMLS Identifier:**

**License Effect:** NA – Unlicensed entities

**Not Apply Until:** 5 years from the entry of the Final Order

**Not Eligible Until:** 5 years from the entry of the Final Order

**Prohibition/Ban Until:** 5 years from the entry of the Final Order

<b>Investigation Costs:</b>	\$1,593.60	Due: 30 days after the entry of the FO.	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Fine:</b>	\$3,000	Due: 30 days after the entry of the FO.	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Assessment(s):</b>	\$NA	Due: NA	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution:</b>	\$NA	Due: NA	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Judgment:</b>	\$NA	Due: NA	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Satisfaction of Judgment Filed?</b>		<input type="checkbox"/> Y <input checked="" type="checkbox"/> N		

Comments: In addition to the prohibitions and the legal financial obligations listed above, Homestead Homestead Financial Services, LLC and Dana Fabian are ordered to cease and desist from engaging in the business of a mortgage broker or loan originator and maintain records in accordance with the Mortgage Broker Practices Act.

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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-16-1905-17-FO01

FINAL ORDER

HOMESTEAD FINANCIAL SERVICES, LLC,  
and DANA FABIAN, Manager,

Respondents.

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**I. DIRECTOR'S CONSIDERATION**

Default. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director), through her designee, Consumer Services Division Director Charles E. Clark (Director's designee), pursuant to RCW 34.05.440(1). On January 31, 2017, the Director, through the Director's designee, issued a Statement of Charges and Notice Of Intent to Enter an Order to Cease and Desist Business, Prohibit From Industry, Order Restitution, Impose Fine, Collect Investigation Fee, and Recover Costs and Expenses (Statement of Charges) against Homestead Financial Services, LLC and Dana Fabian (Respondents). 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 February 1, 2017, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents (collectively, accompanying documents).

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On February 1, 2017, the Department served Respondents with the Statement of Charges and accompanying documents by First-Class mail and Federal Express overnight delivery. On February 2, 2017, the documents sent by Federal Express overnight were delivered to Respondent Homestead Financial Services, LLC. The documents sent by First-Class mail were not returned to the Department by the United States Postal Service.

1 On February 1, 2017, the Department served the Statement of Charges and accompanying  
2 documents on Respondents' Registered Agent, LegalZoom.com, Inc., by sending a package  
3 containing the documents to its place of business via First-Class mail and Federal Express overnight  
4 delivery. On February 2, 2017, the documents set via Federal Express overnight delivery were  
5 delivered. The documents sent via First-Class mail were not returned to the Department by the  
6 United States Post Office.

7 Respondents did not request an adjudicative hearing within twenty calendar days after the  
8 Department served the Notice of Opportunity to Defend and Opportunity for Hearing, as provided for  
9 in WAC 208-08-050(2).

10 A. Record Presented. The record presented to the Director's designee for his review and  
11 for entry of a final decision included the Statement of Charges, the cover letter dated February 1,  
12 2017, the Notice of Opportunity to Defend and Opportunity for Hearing, and the blank Applications  
13 for Adjudicative Hearing for Respondents, along with documentation for service.

14 B. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(1), the  
15 Director's designee hereby adopts the Statement of Charges, which is attached hereto.

## 16 II. FINAL ORDER

17 Based upon the foregoing, and the Director's designee having considered the record and being  
18 otherwise fully advised, NOW, THEREFORE:

19 A. IT IS HEREBY ORDERED, That:

- 20 1. Respondents Homestead Financial Services, LLC and Dana Fabian cease and  
21 desist engaging in the business of a mortgage broker or loan originator;
- 22 2. Respondents Homestead Financial Services, LLC and Dana Fabian are prohibited  
23 from participation, in any manner, in the conduct of the affairs of any mortgage  
broker subject to licensure by the Director for a period of five years;

3. Respondents Homestead Financial Services, LLC and Dana Fabian jointly and severally pay restitution to each Washington consumers with whom they entered into a contract for residential mortgage loan modification services related to real properties or consumers located in the state of Washington;
4. Respondents Homestead Financial Services, LLC and Dana Fabian jointly and severally pay a fine of \$3,000;
5. Respondents Homestead Financial Services, LLC and Dana Fabian jointly and severally pay an investigation fee of \$1,593.60; and
6. Respondents Homestead Financial Services, LLC and Dana Fabian, its officers, employees, and agents maintain records in compliance with chapter 19.146, the Mortgage Brokers Practice Act (Act), and provide the Department with the location of the books, records, and other information relating to Respondents' business, and the name, address, and telephone number of the individual responsible for maintenance of such records in compliance with the Act.

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

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

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

1 D. Judicial Review. Respondents have the right to petition the superior court for judicial  
2 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for  
3 filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

4 E. Non-compliance with Order. If you do not comply with the terms of this order,  
5 including payment of any amounts owed within 30 days of receipt of this order, the Department may  
6 seek its enforcement by the Office of the Attorney General to include the collection of the fines,  
7 assessments, late penalties, fees, and restitution imposed herein. The Department also may assign the  
8 amounts owed to a collection agency for collection.

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

12 DATED this 6<sup>th</sup> day of November, 2017.

13 STATE OF WASHINGTON  
14 DEPARTMENT OF FINANCIAL INSTITUTIONS

15  
16 /s/ \_\_\_\_\_  
17 CHARLES E. CLARK  
18 Director  
19 Division of Consumer Services  
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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:

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HOMESTEAD FINANCIAL SERVICES, LLC,  
and DANA FABIAN, Manager,  
  
Respondents.

No. C-16-1905-17-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENT TO ENTER AN  
ORDER TO CEASE AND DESIST  
BUSINESS, PROHIBIT FROM  
INDUSTRY, ORDER RESTITUTION,  
IMPOSE FINE, COLLECT  
INVESTIGATION FEE, and RECOVER  
COSTS AND EXPENSES

**INTRODUCTION**

Pursuant to RCW 19.146.220 and RCW 19.146.223, the Acting 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). 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 her designee, Division of Consumer Services Director Charles E. Clark, institutes this proceeding and finds as follows:

**I. FACTUAL ALLEGATIONS**

**1.1 Respondents.**

**A. Homestead Financial Services, LLC** has never been licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker or loan originator.

**B. Dana Fabian** is a manager of Homestead Financial Services, LLC. During the relevant time period, Dana Fabian was not licensed by the Department to conduct business as a mortgage broker or loan originator.

1 **1.2 Unlicensed Activity.** Between at least December 2015 and March 2016, Respondents were  
2 offering residential mortgage loan modification services to Washington consumers for property  
3 located in Washington State. Respondents entered into a contractual relationship with at least one  
4 Washington consumer to provide those services and were scheduled to collect an advance fee for the  
5 provision of those services. The Department received at least one complaint alleging Respondents  
6 provided or offered to provide residential mortgage loan modification services while not licensed by  
7 the Department to provide those services. Washington consumer D.B. was scheduled to pay  
8 Respondents \$4,000 for residential mortgage loan modification services.

9 **1.3 Misrepresentations and Omissions.** Respondents represented that they were licensed to  
10 provide the residential mortgage loan modification services or omitted disclosing that they were not  
11 licensed to provide those services.

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

## 14 **II. GROUNDS FOR ENTRY OF ORDER**

15 **2.1 Mortgage Broker Defined.** Pursuant to RCW 19.146.010(14), "Mortgage broker" means any  
16 person who for direct or indirect compensation or gain, or in the expectation of direct or indirect  
17 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage loan  
18 or performs residential mortgage loan modification services or (b) holds himself or herself out as being  
19 able to assist a person in obtaining or applying to obtain a residential mortgage loan or provide  
20 residential mortgage loan modification services.

21 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11)(b), "Loan originator" means a  
22 natural person who for direct or indirect compensation or gain or in the expectation of direct or  
23 indirect compensation or gain performs residential mortgage loan modification services or holds  
24 himself or herself out as being able to perform residential mortgage loan modification services.

1 **2.3 Person Defined.** Pursuant to RCW 19.146.010(17), “Person” means an individual,  
2 corporation, company, limited liability company, partnership, association, and all other legal entities.

3 **2.4 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents  
4 are in apparent violation of RCW 19.146.0201(2) for engaging in an unfair or deceptive practice  
5 toward any person.

6 **2.5 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual  
7 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)  
8 for engaging in the business of a mortgage broker for Washington residents or property without first  
9 obtaining a license to do so.

10 **2.6 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual  
11 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)  
12 for engaging in the business of a loan originator without first obtaining and maintaining a license.

13 **2.7 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW  
14 19.146.060 and WAC 208-660-450, Respondents are required to keep all books and records in a  
15 location that is on file with and readily available to the Department until at least three years have  
16 elapsed following the effective period to which the books and records relate.

### 17 III. AUTHORITY TO IMPOSE SANCTIONS

18 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(3), the  
19 Director may issue orders directing any person subject to the Act to cease and desist from conducting  
20 business.

21 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(4), the Director may  
22 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker  
23 any person subject to licensing under the Act for any violation of the Act.

1 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order  
2 restitution against any person subject to the Act for any violation of the Act.

3 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines  
4 against any person subject to the Act for any violation of the Act.

5 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-660-  
6 550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time devoted to  
7 an investigation of any person subject to the Act.

8 **3.6 Authority to Recover Costs and Expenses.** Pursuant to RCW 19.146.221(2), the Director  
9 may recover the state's costs and expenses for prosecuting violations of the Act.

#### 10 **IV. NOTICE OF INTENT TO ENTER ORDER**

11 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as  
12 set forth above constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221,  
13 and RCW 19.146.223. Therefore, it is the Director's intent to ORDER that:

14 **4.1** Respondents Homestead Financial Services, LLC, and Dana Fabian cease and desist  
15 engaging in the business of a mortgage broker or loan originator.

16 **4.2** Respondents Homestead Financial Services, LLC, and Dana Fabian are prohibited from  
17 participation, in any manner, in the conduct of the affairs of any mortgage broker subject to  
18 licensure by the Director for a period of five years.

19 **4.3** Respondents Homestead Financial Services, LLC, and Dana Fabian jointly and severally pay  
20 restitution to each Washington consumer with whom they entered into a contract for  
21 residential mortgage loan modification services related to real property or consumers located  
22 in the state of Washington equal to the amount collected from that Washington consumer for  
23 those services in an amount to be determined at hearing.

24 **4.4** Respondents Homestead Financial Services, LLC, and Dana Fabian jointly and severally pay  
a fine, which as of the date of this Statement of Charges totals \$3,000.

**4.5** Respondents Homestead Financial Services, LLC, and Dana Fabian jointly and severally pay  
an investigation fee, which as of the date of this Statement of Charges totals \$1,593.60.

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1 **4.6** Respondents Homestead Financial Services, LLC, and Dana Fabian maintain records in  
2 compliance with the Act and provide the Department with the location of the books, records  
3 and other information relating to Respondents' provision of residential mortgage loan  
modification services in Washington, and the name, address, and telephone number of the  
individual responsible for maintenance of such records in compliance with the Act.

4 **4.7** Respondents Homestead Financial Services, LLC, and Dana Fabian pay the Department's costs  
5 and expenses for prosecuting violations of the Act in an amount to be determined at hearing or  
by Declaration with supporting documentation in event of default by Respondents.

## 6 **V. AUTHORITY AND PROCEDURE**

7 This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW  
8 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter 34.05  
9 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as  
10 set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING  
11 accompanying this Statement of Charges.

12 Dated this 31<sup>st</sup> day of January, 2017.

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15 /s/ \_\_\_\_\_  
16 CHARLES E. CLARK  
17 Director, Division of Consumer Services  
18 Department of Financial Institutions

19 Presented by:

20 /s/ \_\_\_\_\_  
21 BARBARA PENTTILA  
22 Financial Legal Examiner

23 Approved by:

24 /s/ \_\_\_\_\_  
STEVEN C. SHERMAN  
Enforcement Chief