

ORDER SUMMARY – Case Number: C-16-1936-17-CO03

Name(s): CitiMortgage, Inc.

Order Number: C-16-1936-17-CO03

Effective Date: December 19, 2017

License Number: NMLS # 413108
Or NMLS Identifier [U/L]

License Effect: none

Not Apply Until: n/a

Not Eligible Until: n/a

Prohibition/Ban Until: n/a

| | | | | |
|--|-----|---|---|------|
| Investigation Costs | \$0 | Due | Paid <input type="checkbox"/> Y <input type="checkbox"/> N | Date |
| Fine | \$0 | Due | Paid <input type="checkbox"/> Y <input type="checkbox"/> N | Date |
| Assessment(s) | \$0 | Due | Paid <input type="checkbox"/> Y <input type="checkbox"/> N | Date |
| Restitution | \$0 | Due | Paid <input type="checkbox"/> Y <input type="checkbox"/> N | Date |
| Judgment | \$0 | 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: Comply with AGO Consent Decree

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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
Consumer Loan Act of Washington by:

No.: C-16-1936-17-CO03

CONSENT ORDER

CitiMortgage, Inc.,
NMLS #413108,

Respondent.

COMES NOW the Acting Director of the Department of Financial Institutions (Director), through her designee Charles E. Clark, Division Director, Division of Consumer Services, and CitiMortgage, 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 Revised Code of Washington (RCW) 31.04, the Consumer Loan Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

FINDINGS OF FACT

1.1 On or about September 27, 2011, Respondent obtained a license from the Department of Financial Institutions of the State of Washington (Department) to conduct the business of a Consumer Loan Company and continues to be licensed to date.

1.2 On or about August 16, 2012, the Washington Supreme Court held that Mortgage Electronic Registrations Systems, Inc. (MERS) was not the “beneficiary” to a Deed of Trust in Washington as defined by RCW 61.24.005(2) if it did not hold the corresponding promissory note. *Bain v. Metropolitan Mortgage Group, Inc.*, 175 Wn.2d 83, 110 (2012). The *Bain* court further held that “characterizing MERS as the beneficiary has the capacity to deceive....” *Id.* at 117.

1 **1.3** Between August 16, 2012, and the date of this Consent Order, Respondent filed certain
2 assignment of deed of trust or appointment of successor trustee documents in several Washington
3 county land records offices which characterized MERS as the beneficiary without identifying
4 MERS's role as "nominee" and when MERS did not hold the corresponding promissory note.

5 **CONCLUSIONS OF LAW**

6 **2.1** Based on the above Findings of Fact, the Department has concluded that Respondent violated
7 RCW 31.04.027(2) and (13) by directly or indirectly engaging in conduct with "the capacity to
8 deceive," *Bain*, 175 Wn.2d at 117, contrary to applicable state law relating to activities governed by
9 the Act.

10 **AGREEMENT AND ORDER**

11 The Department and Respondent have agreed upon a basis for resolution of the Findings of
12 Fact and Conclusions of Law identified in this Consent Order. Pursuant to RCW 31.04.093(7) and
13 RCW 34.05.060, Respondent and the Department agree to entry of this Consent Order and further
14 agree that the matters alleged herein may be economically and efficiently settled by the entry of this
15 Consent Order.

16 Based upon the foregoing:

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

19 **B. Waiver of Hearing.** It is AGREED that Respondent hereby waives any right it has to a hearing
20 and any and all administrative and judicial review of the Findings of Fact, Conclusions of Law, and
21 resolution reached in this Consent Order.

22 **C. No Admission of Liability.** The parties intend this Consent Order to fully resolve the matters
23 alleged herein and agree that Respondent does not admit any liability or wrongdoing by its entry.

1 The Department and Respondent agree this Consent Order does not constitute evidence or an
2 admission regarding the existence or non-existence of any issue, fact, or violation of any law alleged
3 by the State of Washington.

4 **D. Compliance with Consent Decree.** It is AGREED that Respondent will comply with all
5 provisions of the Consent Decree entered into with the Attorney General of Washington under King
6 County cause 17-2-32248-2, which are incorporated herein by reference.

7 **E. Compliance with the Act.** It is AGREED that Respondent shall develop, to the extent not
8 already in existence, a methodology for tracking Washington deed of trust documents such that a
9 report of activity may be expeditiously prepared upon request by the Department. The sufficiency of
10 any such methodology shall be determined by the Department's Consumer Services Division,
11 Examinations Unit.

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

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

18 **H. Completely Read, Understood, and Agreed.** It is AGREED that Respondent's
19 representatives have read this Consent Order in its entirety and fully understand and agree to all of
20 the same.

21 **I. Authority to Execute Order.** It is AGREED that the undersigned authorized representative
22 has represented and warranted that he has the full power and right to execute this Consent Order on
23 behalf of Respondent.

1 **J. Counterparts.** This Consent Order may be executed by the Respondent in any number of
2 counterparts, including by facsimile or e-mail of a .pdf or similar file, each of which shall be deemed
3 to be an original, but all of which, taken together, shall constitute one and the same Consent Order.
4

5 **RESPONDENT:**
6 CitiMortgage, Inc.
7 By:

8 /s/
9 Name: Victoria Kiehl
10 Title: General Counsel

December 18, 2017
Date

11 Approved for Entry:

12 /s/
13 Brian T. Moran, WSBA # 17794
14 Orrick, Herrington & Sutcliffe, LLP
15 701 Fifth Avenue, Suite 5600
16 Seattle, WA 98104

17 and

18 /s/
19 Lucia Nale
20 Thomas V. Panoff
21 Mayer Brown LLP
22 71 South Wacker Drive
23 Chicago, IL 60606
24 Attorneys for Respondent

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DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 19th DAY OF December, 2017.

/s/
CHARLES E. CLARK
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

/s/
STEVEN C. SHERMAN
Enforcement Chief