

Terms Completed

ORDER SUMMARY – Case Number: C-17-2145

Name(s): Lysa M. Catlin

Order Number: C-17-2145-21-CO02

Effective Date: May 6, 2021

License Number: 754386
Or NMLS Identifier [U/L]

License Effect:

Not Apply Until:

Not Eligible Until:

Prohibition/Ban Until:

Investigation Costs	\$ 15,000		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 4/30/2021
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
Financial Literacy and Education	\$14,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 4/30/2021
Cost of Prosecution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
	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
Consumer Loan Act of Washington by:

No.: C-17-2145-21-CO02

CONSENT ORDER

LYSA M. CATLIN, Mortgage Loan Originator,
NMLS #754386,

Respondent.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Lucinda Fazio, Division of Consumer Services Director, and Lysa M. Catlin, mortgage loan originator, (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 31.04 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 has agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-17-2145-20-SC03 (Statement of Charges), entered July 22, 2020 (copy attached hereto). Pursuant to chapter 31.04 RCW, the Consumer Loan 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, and Respondent is agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

Based upon the foregoing:

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

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

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

11 **D. Financial Literacy Payment.** Pursuant to RCW 31.04.093(7), the Department may
12 accept as part of this Consent Order payment for purposes of financial literacy and education
13 programs authorized under RCW 43.320.150. It is AGREED that Respondent, who is supportive of
14 this program and interested in resolving this matter, shall make this payment to the Department in the
15 amount of \$14,000 upon entry of this Consent Order to the Department. It is further AGREED that
16 Respondent may not advertise this payment.

17 **E. Restitution.** It is AGREED that the claim of borrower K.K. has been appropriately
18 resolved and that Respondent has provided the Department with proof that she owes the borrower no
19 restitution.

20 **F. Investigation Fee.** It is AGREED that Respondent, in the interest of resolving the matter,
21 shall pay to the Department an investigation fee of \$15,000 upon entry of this Consent Order to the
22 Department. The Financial Literacy Payment and the Investigation Fee shall be paid together in one
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1 \$29,000 cashier's check made payable to the "Washington State Treasurer." The Department must
2 receive the cashier's check on or before April 30, 2021.

3 **G. Complete Cooperation with the Department.** It is AGREED that, upon written request
4 by the Department, Respondent shall provide the Department truthful and complete sworn statements
5 outlining her activities with respect to Mortgage Loan Originator Kristine Moreland, NMLS #173304
6 (Moreland) and Caliber Home Loans, Inc., NMLS #15622 (Caliber) and any and all persons involved
7 with Caliber. The sworn statements may take the form of affidavits, declarations, or deposition
8 testimony, at the Department's discretion. In addition to providing sworn statements, it is AGREED
9 that, upon written request by the Department, Respondent shall cooperate fully, truthfully, and
10 completely with the Department and provide any and all information known to them relating in any
11 manner to Moreland or Caliber and any and all persons involved or in any way associated with
12 Moreland or Caliber. It is further AGREED that, upon written request by the Department,
13 Respondent shall provide any and all documents, writings or materials, or objects or things of any
14 kind in her possession or under her care, custody, or control that she is authorized to possess, obtain,
15 or distribute relating directly or indirectly to all areas of inquiry and investigation. It is further
16 AGREED that Respondent shall testify fully, truthfully, and completely at any and all proceedings
17 related to any Department investigation or enforcement action related to any and all persons involved
18 or in any way associated with Moreland or Caliber, and any respondents named therein. Respondent
19 understands and agrees that her failure to cooperate fully, truthfully, and completely would constitute
20 a breach of this Consent Order and a violation of the Act, which may result in sanctions, including
21 but not limited to revocation of Respondent's mortgage loan originator license.

22 **H. Rights of Non-Parties.** It is AGREED that the Department does not represent or have the
23 consent of any person or entity not a party to this Consent Order to take any action concerning their

1 personal legal rights. It is further AGREED that for any person or entity not a party to this Consent
2 Order, this Consent Order does not limit or create any private rights or remedies against Respondent,
3 limit or create liability of Respondent, or limit or create defenses of Respondent to any claims.

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

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

10 **K. Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read
11 this Consent Order in its entirety and fully understand and agree to all of the same.

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

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1 **RESPONDENT:**

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3 /s/
Lysa M. Catlin
Mortgage Loan Originator

4/16/2021
Date

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5 /s/
T. Markus Funk, Bar No. 43500
6 Attorney at Law
Perkins Coie, LLP
7 Attorney for Respondent

4/16/21
Date

8 **DO NOT WRITE BELOW THIS LINE**

9 THIS ORDER ENTERED THIS 6th DAY OF May, 2021.

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11 /s/
Lucinda Fazio, Director
12 Division of Consumer Services
13 Department of Financial Institutions

14 Presented by:

15 /s/
16 KENNETH J. SUGIMOTO
Financial Legal Examiner Supervisor

17 Approved by:

18 /s/
19 STEVEN C. SHERMAN
20 Enforcement Chief

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **DIVISION OF CONSUMER SERVICES**

4 IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Consumer Loan Act of Washington by:

5 LYSA M. CATLIN, Mortgage Loan Originator,
NMLS #754386,

6
7 Respondent.

No. C-17-2145-20-SC03

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

8 **INTRODUCTION**

9 Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial
10 Institutions of the State of Washington (Director) is responsible for the administration of chapter
11 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to
12 RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges and
13 Notice of Intent to Enter an Order to Revoke License, Prohibit from Industry, Impose Fine, Order
14 Restitution, Collect Investigation Fee, and Recover the Costs of Prosecution (Statement of Charges),
15 the Director, through his designee, Division of Consumer Services Director Lucinda Fazio, institutes
16 this proceeding and finds as follows:

17 **I. FACTUAL ALLEGATIONS**

18 **1.1 Lysa M. Catlin (Respondent)**, has been licensed by the Department of Financial Institutions
19 of the State of Washington (Department) to conduct business as a mortgage loan originator since at
20 least September 19, 2012, and continues to be licensed to date. Respondent has been employed by
21 Caliber Home Loans, Inc. (Caliber) since at least August 31, 2015, and continues to be employed by
22 Caliber to date. At all times relevant to this Statement of Charges, Caliber was licensed by the
23 Department as a consumer loan company.

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1 **1.2 Prohibited Practices.** While employed at Caliber, Respondent referred at least four
2 borrowers seeking to purchase primary residences located in Washington State to at least one lender
3 not licensed by the Department for the purpose of obtaining residential mortgage loans. On at least
4 two occasions, Respondent applied for and negotiated the terms of a residential mortgage loan from
5 an unlicensed lender on behalf of a borrower. On one of those occasions, Respondent engaged in
6 such conduct without the knowledge or approval of the borrower. On another occasion, Respondent
7 represented to a borrower that, “We offer a private money same as cash loan.” At all relevant times,
8 Caliber did not offer such a loan product, but this product was offered by an unlicensed lender to
9 which Respondent referred borrowers. In the same transaction, the borrower went on to obtain a
10 residential mortgage loan from the unlicensed lender and then refinanced with a loan originated by
11 Respondent. Respondent received compensation for the refinance loan. On at least one other such
12 occasion, Respondent’s conduct resulted in the borrower obtaining a residential mortgage loan from
13 an unlicensed lender, which was then refinanced with a loan originated by Respondent, for which
14 Respondent received compensation.

15 **1.3 On-Going Investigation.** The Department’s investigation into the alleged violations of the
16 Act by Respondent continues to date.

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

18 **2.1 Unfair or Deceptive Practice.** Based on the Factual Allegations set forth in Section I above,
19 Respondent is in apparent violation of RCW 31.04.027(1)(b)¹ for directly or indirectly engaging in
20 any unfair or deceptive practice toward any person.

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24 ¹ This section of the Consumer Loan Act was revised as of June 7, 2018. Prior to that date, the section was listed as RCW 31.04.027(2).

1 **2.2 Obtaining Property by Fraud or Misrepresentation.** Based on the Factual Allegations set
2 forth in Section I above, Respondent is in apparent violation of RCW 31.04.027(1)(c)² for directly or
3 indirectly obtaining property by fraud or misrepresentation.

4 **2.3 Make Any False or Deceptive Statement or Representation.** Based on the Factual
5 Allegations set forth in Section I above, Respondent is in apparent violation of RCW
6 31.04.027(1)(g)³ for making, in any manner, any false or deceptive statement or representation with
7 regard to the rates, points, or other financing terms or conditions for a residential mortgage loan, or
8 engaging in bait and switch advertising.

9 **2.4 Aiding and Abetting Violations of the Act.** Based on the Factual Allegations set forth in
10 Section I above, Respondent is in apparent violation of RCW 31.04.175(1) for knowingly aiding and
11 abetting a violation of the Act.

12 III. AUTHORITY TO IMPOSE SANCTIONS

13 **3.1 Authority to Revoke License.** Pursuant to RCW 31.04.093(3)(b), the Director may revoke a
14 license if a licensee, either knowingly or without the exercise of due care, has violated any provision
15 of the Act or any rule adopted under the Act.

16 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6)(e), the Director
17 may issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,
18 employee, mortgage loan originator, or any other person subject to the Act for a violation of RCW
19 31.04.027.

20 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
21 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or
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23 ² This section of the Consumer Loan Act was revised as of June 7, 2018. Prior to that date, the section was listed as
RCW 31.04.027(3).

24 ³ This section of the Consumer Loan Act was revised as of June 7, 2018. Prior to that date, the section was listed as
RCW 31.04.027(7).

1 any other person subject to the Act for any violation of the Act or failure to comply with any order or
2 subpoena issued by the Director under the Act.

3 **3.4 Authority to Order Restitution.** Pursuant to RCW 31.04.093(5), the Director may issue an
4 order directing a licensee, its employee or loan originator, or any other person subject to the Act to
5 make a refund or restitution to a borrower or other person who is damaged as a result of a violation of
6 the Act.

7 **3.5 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
8 590, WAC 208-620-610(7), every licensee investigated by the Director or the Director's designee
9 shall pay for the cost of the investigation, calculated at the rate of \$69.01 per staff hour devoted to the
10 investigation

11 **3.6 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
12 may recover the state's costs and expenses for prosecuting violations of the Act.

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1 **IV. NOTICE OF INTENT TO ENTER ORDER**

2 Respondent’s violations of the provisions of chapter 31.04 RCW and chapter 208-620 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 31.04.093, RCW 31.04.165, RCW
5 34.04.202, and RCW 31.04.205. Therefore, it is the Director’s intent to ORDER that:

6 **4.1** Respondent Lysa M. Catlin’s license to conduct the business of a mortgage loan
7 originator be revoked.

8 **4.2** Respondent Lysa M. Catlin be prohibited from participation in the conduct of the
9 affairs of any consumer loan company subject to licensure by the Director, in any
10 manner, for a period of five years.

11 **4.3** Respondent Lysa M. Catlin pay a fine. As of the date of this Statement of Charges,
12 the fine totals \$18,000.

13 **4.4** Respondent Lysa M. Catlin pay restitution to any person harmed as a result of the
14 conduct described above in an amount to be determined at hearing.

15 **4.5** Respondent Lysa M. Catlin pay an investigation fee. As of the date of this Statement
16 of Charges, the investigation fee totals \$8,000.

17 **4.6** Respondent Lysa M. Catlin pay the Department’s costs and expenses for prosecuting
18 violations of the Act in an amount to be determined at hearing or by declaration with
19 supporting documentation in event of default by Respondent.

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V. AUTHORITY AND PROCEDURE

This Statement of Charges is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.202, and RCW 31.04.205, 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 FOR ADJUDICATIVE HEARING AND TO DEFEND accompanying this Statement of Charges.

Dated this 22nd day of July, 2020.

/s/
Lucinda Fazio, Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

/s/
BRETT CARNAHAN
Financial Legal Examiner

Approved by:

/s/
STEVEN C. SHERMAN
Enforcement Chief