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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:

HIGHTECHLENDING, INC., NMLS No. 7147, d/b/a
American Senior, AmericanSenior.com, Golden Heritage
Financial, and American Mortgage Group;
DON ANTHONY CURRIE, NMLS No. 7691, Co-
Founder and Owner, President, and Chairman of the
Board;
ERIKA MACIAS, NMLS No. 7692, Co-Founder and
Owner, Senior Vice President, and COO; and
VENA MARIE CURRIE, NMLS No. 1481327, Director
of Marketing,

Respondents.

No. C-17-2229-17-SC01

STATEMENT OF CHARGES and NOTICE OF
INTENT TO ENTER AN ORDER TO CEASE
AND DESIST, IMPOSE FINES, COLLECT
INVESTIGATION FEES, and RECOVER
COSTS AND EXPENSES OF PROSECUTION

INTRODUCTION

Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Washington State Department of
Financial Institutions (Director) is responsible for the administration of chapter 31.04 RCW, the Consumer Loan
Act (Act). Having conducted an investigation pursuant to RCW 31.04.145, and based upon the facts available as
of the date of this Statement of Charges (Charges), the Director, through her designee, Division of Consumer
Services Director Charles E. Clark, institutes this proceeding and alleges as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. Respondent HIGHTECHLENDING, INC. (Respondent HTL) is a California for-profit corporation
organized on or about July 19, 2006, registered as a foreign corporation in Washington on or about February 23,
2007, and licensed by the Washington State Department of Financial Institutions (Department) to conduct business
in Washington as a consumer loan company on or about October 10, 2008. Respondent HTL currently has eight
Department-licensed branches, including two located in Washington, and conducts business in Washington using
the registered trade names American Senior, AmericanSenior.com, Golden Heritage Financial, and American
Mortgage Group. Respondent HTL renewed its consumer loan license with the Department in February 2017.

1 **B. Respondent Don Anthony Currie** (Respondent Currie), Respondent HTL's Co-Founder, Co-Owner,
2 President, and Chairman of the Board, has never been licensed by the Department in any capacity.

3 **C. Respondent Erika Macias** (Respondent Macias), Respondent HTL's Co-Founder, Co-Owner, Vice
4 President, and Chief Operations Officer, has never been licensed by the Department in any capacity.

5 **D. Respondent Vena Marie Currie** (Respondent Vena Currie), Respondent HTL's Director of Marketing
6 since January 2007, has never been licensed by the Department in any capacity.

7 **1.2 Company Background.** Respondent HTL is a leading Home Equity Conversion Mortgage (HECM) reverse
8 mortgage lender, presently ranked in the top ten of HECM lenders nationally.¹ From 2015 through the end of the
9 second quarter of 2017, Respondent HTL originated more than 200 HECM loans in Washington valued at more
10 than \$90 million. Respondent HTL advertises extensively on two retail Internet websites, HighTechLending.com
11 and, beginning in 2016, AmericanSenior.com. On the retail sites, prospective borrowers can learn about HECM
12 loans, view or obtain copies of brochures describing Respondent HTL and its HECM loan products, and view or
13 obtain copies of videos or CDs with similar information. In addition, Respondent HTL advertises extensively using
14 telemarketing, direct mail, and brochures and videos on its retail Internet websites. Respondent HTL incurred more
15 than \$11 million in aggregate advertising expenses in the years ended February 28, 2017, and February 29, 2016.

16 Respondent HTL also has a recruiting site, hightechlending.net, focusing largely on Respondent HTL's
17 status as a national leader among HECM lenders. On the site, Respondent HTL offers prospective employees
18 information about the benefits of selling HECM loans, a \$15,000 signing bonus, and access to its HECM
19 marketing center. Respondent HTL's video and print marketing materials available on the website contain material
20 misrepresentations, and omit material facts concerning HECM loans. Respondent HTL and its Washington-
21 licensed branches use those deceptive materials when marketing HECM loan products in Washington.

22 **1.3 Compliance Examinations.**

23 **A. 2011 Examination.** The Department conducted its first compliance examination of Respondent HTL in
24 2011, held an exit interview with Respondent Currie and Respondent Macias, and delivered the 2011 Report of

25 ¹ HECMWorld: <http://www.hecmworld.com/reverse-mortgage-news/hecm-lenders-top-100-september>

1 Examination (ROE) to Respondent HTL on or about June 2, 2011.

2 The 2011 ROE concluded that Respondent HTL had violated eight provisions of the Act and applicable federal
3 laws and regulations. Relevant to these Charges, the Department found four advertising violations related to
4 Respondent HTL's forward mortgage loans:

- 5 • When advertising mortgage payments, omitting that the advertised monthly payments did not include
6 amounts for taxes and insurance premiums, in violation of RCW 31.04.027(2),
7 WAC 208-620-550(9), and Regulation Z;
- 8 • When advertising the initial interest rate and monthly payment on variable rate mortgages, omitting the
9 fully indexed interest rate and mortgage payment, in violation of RCW 31.04.027(7),
10 WAC 208-620-550(20), and Regulation Z;
- 11 • Misrepresenting on its website that Respondent HTL could get loans "at the best rate and fees," in
12 violation of RCW 31.04.027(2) and WAC 208-620-630(5); and
- 13 • Omitting on its website a link to the NMLS Consumer Access website, in violation of RCW
14 31.04.027(2) and WAC 208-620-622(1) and (3).

15 The Department gave Respondent HTL a risk rating of "3," noting that Respondent HTL exhibited
16 weaknesses "ranging from moderately severe to less than satisfactory," and advising that "[t]he Company
17 must improve current business practices in order to come into compliance with the Act and applicable federal
18 rules and regulations." Based in part on the number and severity of the violations, the Department scheduled a
19 follow-up compliance examination for Respondent HTL in 2012.

20 **B. 2012 Examination.** The Department conducted its second compliance examination of Respondent
21 HTL in 2012, held an exit interview with Respondent Macias and the Chief Risk Officer, and delivered the 2012
22 ROE to Respondent HTL on or about December 19, 2012.

23 The 2012 ROE concluded that Respondent HTL had violated fourteen provisions of the Act and applicable
24 federal laws and regulations, including seven repeat violations relating to forward loan origination. Relevant to
25 these Charges, the Department found three new advertising violations related to Respondent HTL's advertising of
forward mortgage loans:

- Advertising using a direct mail solicitation that suggested a government affiliation without also
including the name of Respondent HTL, in violation of RCW 31.04.027(2) and WAC 208-620-
630(1)(e), and omitting to clearly and conspicuously disclose Respondent HTL's name and NMLS
number in violation of RCW 31.04.027(2) and WAC 208-620-622(1)(a);

- When advertising on YouTube, representing that Respondent HTL could provide borrowers with “no costs or fees” loans, in violation of RCW 31.04.027(2), (7), and (12) and WAC 208-620-630(8); and
- When advertising credit terms on its Mortgage Rates table, which included credit terms that triggered additional credit disclosures, omitting the required additional credit terms in violation of RCW 31.04.027(7) and Regulation Z.

The Department again gave Respondent HTL a risk rating of “3,” noting the same weaknesses, and advising that to ensure future compliance, management of Respondent HTL should obtain and maintain knowledge of the Act and implement an adequate system of internal controls. Based in part on the number and severity of the violations, and the repeated risk rating of “3,” the Department scheduled Respondent HTL for a “Supervisory Watch” examination.

C. 2013 Supervisory Watch Examination. The Department conducted its first Supervisory Watch Examination (SWE) to verify Respondent HTL’s implementation of the corrective actions noted in the 2011 and 2012 ROEs, held an exit interview with the Chief Risk Officer, and delivered the 2013 SWE report to Respondent HTL on or about September 18, 2013.

The 2013 SWE report concluded that Respondent HTL was continuing to violate provisions of the Act and rules, as well as applicable federal laws and regulations. The SWE report found three repeat violations including, relevant to these Charges, two repeat advertising violations. In addition, the 2013 SWE report found a violation relating to Respondent HTL’s failure to oversee advertising by a Washington-licensed branch. The repeat violations relating to advertising HECM loans included representing that Respondent HTL could provide borrowers with “no costs or fees” and, when advertising credit terms that triggered additional credit disclosures, omitting the required additional credit terms. The Department did not provide a risk rating in the 2013 SWE report, but noted that Respondent HTL had not made an observable improvement in implementing control mechanisms for advertising and had not documented branch training.

Based in part on the number, severity, and repeat violations, the Department scheduled Respondent HTL for another SWE. The Department also required that Respondent Currie and Respondent Macias address the repeat violations and personally sign their response to the 2013 SWE report.

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1 **D. 2014 Supervisory Watch Examination.** The Department conducted its second SWE in 2014, held an
2 exit interview with Respondent Macias, the Chief Risk Officer, and the Vice President of the Reverse Mortgage
3 Division, and delivered the 2014 SWE report to Respondent HTL on or about August 26, 2014.

4 The 2014 SWE report concluded that Respondent HTL was continuing to violate provisions of the Act and
5 rules, as well as applicable federal laws and regulations. The SWE report found six repeat violations, including that
6 Respondent HTL was again advertising it could provide borrowers with the best mortgage rates.

7 **1.4 False Advertising.** Respondent HTL, Respondent Currie, Respondent Macias, and Respondent Vena Currie
8 (Respondents) misrepresented and/or omitted material information about Respondent HTL's HECM loan products,
9 particularly misrepresenting the right of borrowers to remain in their homes for life without making monthly
10 mortgage payments and omitting material information about the risk of default and foreclosure.

11 **A. "Mortgage Solutions for Seniors" Brochure.** Respondent HTL made available to prospective
12 borrowers a 9-page brochure titled "Mortgage Solutions for Seniors." Respondents misrepresented material
13 information about HECM loans in the brochure, including:

- 14 • That borrowers are not obligated to repay a HECM loan for as long as they live in the home;
- 15 • That repayment of the HECM loan is required only at the end of the loan;
- 16 • That consumers can continue to live in and own the home without having to make monthly mortgage
 payments; and
- Describing the maximum loan amount available on a HECM loan as a "benefit."

17 Respondents also omitted material information about HECM loans in the brochure by:

- 18 • Repeatedly referencing some of the conditions required to avoid default and foreclosure, while omitting
 other material required conditions;
- 19 • Representing that the HECM loan is insured by the Federal Government, while omitting that the
 borrowers must pay the premiums for that insurance; and
- 20 • Omitting to include, in a conspicuous location, a disclaimer that clearly informs borrowers that
21 Respondent HTL's "Mortgage Solutions for Seniors" brochure was not from HUD or FHA, and was
 not approved by HUD, FHA, or any government agency.

22 **B. FAQs About HECM Loans.** Respondent HTL made available to prospective borrowers a list of
23 Frequently Asked Questions (FAQs) about HECM loans. Respondents omitted to disclose material information
24 about HECM loans in the FAQs by:

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- Representing, in a table comparing HECM reverse and forward mortgages, that foreclosure is possible on forward mortgages, while omitting that foreclosure is possible on HECM reverse mortgages;
- Representing that there is no chance of foreclosure as long as the borrowers “abide by HUD regulations,” while omitting many conditions that could lead to foreclosure; and
- Omitting to include, in a conspicuous location, a disclaimer that clearly informs borrowers that Respondent HTL’s FAQs are not from HUD or FHA, and was not approved by HUD, FHA, or any government agency.

5 **C. “What You Need To Know About Reverse Mortgages” Video.** Respondent HTL made available to
6 prospective borrowers on its retail websites, on YouTube, and on its Facebook page a short video titled “What You
7 Need to Know About Reverse Mortgages.” Respondents misrepresented and/or omitted material information about
8 HECM loans in the video, including that borrowers can continue to live in and own their home for the rest of their
9 lives without having to make monthly mortgage payments; that the HECM loan is insured by the Federal
10 Government, while omitting that the borrowers must pay the premiums for that insurance; and omitting to include,
11 in a conspicuous location, a disclaimer that clearly informs borrowers that Respondent HTL’s video was not from
12 HUD or FHA, and was not approved by HUD, FHA, or any government agency.

13 **D. Direct Mail Solicitation.** During 2015, and again during 2016, Respondent HTL distributed a direct
14 mail solicitation (Solicitation) in Washington. The Solicitation, approved by Respondent HTL and used by it since
15 at least 2012, was designed to generate interest in Respondent HTL’s HECM loan products. Respondent HTL
16 distributed more than 50,000 of these Solicitations in Washington during 2015 and 2016. Respondents
17 misrepresented material information in the Solicitation, including:

- On the outside of the solicitation, the return address indicated the solicitation, a “Payment Reduction Notification,” was sent from a “Rate Review Department,” and that the solicitation contained “IMPORTANT INFORMATION REGARDING YOUR MORTGAGE LOAN OF RECORD;”
- On the inside of the solicitation, that the recipient’s “Payment Reduction Status” was “Pending Review,” had been issued by a “RATE REDUCTION DEPARTMENT” or “RATE REDUCTION AND HOME EQUITY DEPARTMENT,” and involved an “FHA HECM RATE REDUCTION PROGRAM” or “FHA RATE REDUCTION AND HOME EQUITY;”
- On the inside of the solicitation, that the recipient’s “Mortgage Loan of Record” had “been reviewed by our rate lock department;”
- On the inside of the solicitation, that the solicitation involved a “Special FHA Program,” and
- On the inside of the solicitation, Respondent HTL described the “Special FHA Program,” its HECM loan products, as a “New Government Regulated Benefit.”

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1 Respondents also omitted to clearly and conspicuously disclose material facts in the Solicitation, including:

- 2 • That the Solicitation was in fact a solicitation for a HECM loan sent and offered by Respondent HTL;
- 3 • The name of the source of the recipient's current loan information used in the Solicitation; and
- 4 • The name and/or NMLS number for Respondent HTL.

5 **1.5 Failure to Supervise.** Respondents provided its Washington-licensed branches, branch managers, and
6 mortgage loan originators with access to, and authorized the use of, advertising templates approved by
7 Respondents that contained false, deceptive, and misleading claims and omissions about its HECM loan products.
8 In doing so, Respondents failed to supervise its Washington-licensed branches, branch managers, and mortgage
9 loan originators.

10 **1.6 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
11 Respondents continues to date.

12 II. GROUNDS FOR ENTRY OF ORDER

13 **2.1 Responsibility and Liability for Violations.** Pursuant to WAC 208-620-378, in addition to ensuring they
14 each have sufficient understanding of the law to comply with the Act and rules, the Respondents are each
15 responsible for ensuring their employees have sufficient understanding of the law to comply with the Act and rules.
16 Furthermore, pursuant to WAC 208-620-372, Respondents are liable for any violations of the Act or rules by their
17 employees.

18 **2.2 Unfair or Deceptive Practices.** Based on the Factual Allegations set forth above, Respondents are in
19 apparent violation of RCW 31.04.027(2) and WAC 208-620-550(5) for directly or indirectly engaging in unfair or
20 deceptive practices.

21 **2.3 False or Deceptive Statements or Representations.** Based on the Factual Allegations set forth above,
22 Respondents are in apparent violation of RCW 31.04.027(7) and WAC 208-620-550(20) for making, in any
23 manner, any false or deceptive statement or representation with regard to the conditions for a mortgage loan.

24 **2.4 False, Misleading, or Deceptive Advertisements.** Based on the Factual Allegations set forth above,
25 Respondents are in apparent violation of RCW 31.04.135 for advertising, in any manner whatsoever, any statement
or representation with regard to the conditions for the lending of money that is false, misleading, or deceptive.

1 **2.5 Violations of Applicable State and Federal Laws and Regulations.** Based on the Factual Allegations set
2 forth above, Respondents are in apparent violation of RCW 31.04.027(13) and WAC 208-620-640 for advertising
3 in violation of applicable federal laws and regulations, including the Truth in Lending Act, the Federal Trade
4 Commission Act, and the Mortgage Acts and Practices - Advertising (MAP Rule), also known as Regulation N.

5 **2.6 Failure to Supervise.** Based on the Factual Allegations set forth in Section I above, Respondents are in
6 apparent violation of RCW 31.04.027(2) for failing to supervise their Washington-licensed branches, branch
7 managers, and mortgage loan originators.

8 III. AUTHORITY TO IMPOSE SANCTIONS

9 **3.1 Authority to Order Licensee to Cease and Desist.** Pursuant to RCW 31.04.093(5)(a), the Director may
10 issue an order directing a licensee, its employees, or other person subject to the Act to cease and desist from
11 conducting business in a manner that is injurious to the public or violates any provision of the Act.

12 **3.2 Authority to Impose Fines.** Pursuant to RCW 31.04.093(4), the Director may impose fines of up to one
13 hundred dollars per day, per violation, upon licensees and employees for any violation of the Act.

14 **3.3 Authority to Collect Investigation Fees.** Pursuant to RCW 31.04.145(3) and WAC 208-620-590, every
15 licensee investigated by the Director shall pay for the cost of the investigation calculated at the rate of \$69.01 per
16 staff hour devoted to the investigation.

17 **3.4 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director may recover the
18 state's costs and expenses for prosecuting violations of the Act.

19 IV. NOTICE OF INTENT TO ENTER ORDER

20 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC, as set forth in
21 the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis
22 for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and RCW 31.04.205. Therefore, it is the
23 Director's intent to ORDER that:

24 **4.1** Respondent HighTechLending, Inc., Respondent Don Anthony Currie, Respondent Erika
25 Macias, and Respondent Vena Marie Currie cease and desist from engaging in false,
misleading, unfair, or deceptive marketing and advertising practices.

1 4.2 Respondent HighTechLending, Inc., Respondent Don Anthony Currie, Respondent Erika
2 Macias, and Respondent Vena Marie Currie jointly and severally pay a fine. As of the date of
these Charges, the fine totals \$300,000.

3 4.3 Respondent HighTechLending, Inc., Respondent Don Anthony Currie, Respondent Erika
4 Macias, and Respondent Vena Marie Currie jointly and severally pay an investigation fee. As
of the date of these Charges, the investigation fee totals \$6,438.63.


5 4.4 Respondent HighTechLending, Inc., Respondent Don Anthony Currie, Respondent Erika
6 Macias, and Respondent Vena Marie Currie jointly and severally pay the Department's costs
7 and expenses for prosecuting violations of the Act in an amount to be determined at hearing
or, in event of default, by declaration with supporting documentation.

8 **V. AUTHORITY AND PROCEDURE**

9 This Statement of Charges is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165,
10 RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05 RCW, the Administrative
11 Procedure Act. Respondents may each make a written request for a hearing as set forth in the NOTICE OF
12 OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.


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14 Dated this 5th day of October, 2017.



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16 
17 CHARLES E. CLARK
18 Director
19 Division of Consumer Services
20 Department of Financial Institutions

21 Presented by:

Approved by:

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23 
24 ANTHONY W. CARTER
25 Senior Legal Examiner
Division of Consumer Services
Department of Financial Institutions

26
27 
28 STEVEN C. SHERMAN
29 Enforcement Chief
30 Division of Consumer Services
31 Department of Financial Institutions