

## Terms Completed

### ORDER SUMMARY – Case Number: C-20-2853

<b>Name(s):</b>	CentralBanc Mortgage Corporation (This is a Consent Order (CO) where no Statement of Charges was ever issued. Instead, the CO has Findings of Fact and Conclusions of Law incorporated into the CO.)
<b>Order Number:</b>	C-20-2853-21-CO01
<b>Effective Date:</b>	April 30, 2021
<b>NMLS Number:</b>	55244
<b>License Effect:</b>	None.
<b>Not Apply Until:</b>	N/A
<b>Not Eligible Until:</b>	N/A
<b>Prohibition/Ban Until:</b>	N/A

<b>Investigation Costs</b>	\$ 1,000	Due upon delivery of CO.	Paid: Yes	Date: 4/27/2020
<b>Fine</b>	\$ 5,000	Due upon delivery of CO.	Paid: Yes	Date: 4/27/2020

CentralBanc Mortgage Corporation was the subject of a 2016 Examination by the Department, which was referred to the Enforcement Unit. An investigation was opened, and on March 31, 2017, CentralBanc and Mr. Delaney were charged with violating the Consumer Loan Act (Act).

On December 6, 2017, those charges were resolved by the entry of a Consent Order whereby Respondents CentralBanc and Mr. Delaney agreed to, and were ordered to, increase compliance with the Consumer Loan Act, pay \$85,000 in fines and costs, and to henceforth comply with the Act and associated Rules found in WAC 28-620.

During 2019, a follow-up examination revealed some violations of the Act similar to those found in 2016, and the matter was again referred to the Enforcement Unit. This Consent Order resolved this second matter.

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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 Consumer  
Loan Act of Washington by:

No. C-20-2853-21-CO01

CONSENT ORDER

CENTRALBANC MORTGAGE CORPORATION,  
NMLS 55244,

Respondent.

8 COMES NOW the Director of the Department of Financial Institutions (Director), through his designee  
9 Lucinda Fazio, Director, Division of Consumer Services, and CentralBanc Mortgage Corporation (Respondent), by  
10 and through its counsel, Douglas E. Schwed of Access Law Northwest, PLLC, and finding that the issues raised in  
11 this matter may be economically and efficiently settled, agree to the entry of this Consent Order pursuant to  
12 Revised Code of Washington (RCW) 31.04, the Consumer Loan Act (Act), and RCW 34.05.060 of the  
13 Administrative Procedure Act (APA), based upon the following:

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**I. FINDINGS OF FACT**

**1.1 Respondent CentralBanc Mortgage Corporation.** The Washington State Department of Financial  
Institutions (Department) licensed Respondent CentralBanc Mortgage Corporation (Respondent) as a consumer  
loan company on or about September 11, 2006, and Respondent remains licensed in Washington to date.

**1.2 2016 Examination.** During August 2016, the Department conducted an on-site compliance examination of  
Respondent to ascertain compliance with the Act, Rules, and applicable federal laws and regulations. During the  
examination the Department reviewed 14 residential mortgage loan files and found 16 violations of the Act and  
applicable federal laws and regulations. The Report of Examination (ROE) gave Respondent a risk rating of “4,”  
the worst rating a licensee can receive, and Respondent was referred to the Enforcement Unit.

**1.3 Investigation and 2017 Statement of Charges.** Based on that referral, on or about September 7, 2016, the  
Department opened an investigation into Respondent. On or about March 31, 2017, the Department entered a  
Statement of Charges (2017 Charges) against Respondent, alleging among other things that Respondent had  
violated the Act by making inaccurate and incomplete loan disclosures to borrowers.

1 **1.4 2017 Consent Order.** On or about December 6, 2017, the Department entered into a Consent Order (2016  
2 Order) with Respondent resolving the 2017 Charges. Respondent agreed and was ordered to take certain  
3 affirmative actions designed to increase future compliance with Act; to pay \$85,000 in fines and costs; and to  
4 henceforth comply with the Act and associated Rules found in WAC 208-620.

5 **1.5 2019 Examination.** During 2019, the Department conducted a limited examination of Respondent,  
6 reviewing just five loan files to ascertain compliance with Act, Rules, and applicable federal laws and regulations.  
7 The resulting ROE noted eight violations, five of which were repeat violations from the 2016 Examination,  
8 including by making inaccurate and incomplete loan disclosures to borrowers. As a result, the ROE gave  
9 Respondent a risk rating of “3,” and Respondent was again referred to the Enforcement Unit.

10 **II. CONCLUSIONS OF LAW**

11 **I.1** Based on the above Findings of Fact, Respondent violated RCW 31.04.027(1)(m) for violating any  
12 applicable federal laws relating to the activities governed by the Act, including the Loan Estimate and Closing  
13 Disclosure requirements of the Truth in Lending Act, 15 U.S.C. § 1601 and Regulation Z, 12 C.F.R. § 1026.

14 **III. AGREEMENT AND ORDER**

15 The Department and Respondent have agreed upon a basis for resolution of the Findings of Fact and  
16 Conclusions of Law identified in this Consent Order. Pursuant to Act and APA, Respondent hereby agrees to the  
17 entry of this Consent Order. The parties intend this Consent Order to fully and completely resolve all violations of  
18 the 2017 Order, all findings in the 2019 ROE, and all matters of which the Department has knowledge or notice as  
19 of the date of this Consent Order.

20 **Based upon the foregoing:**

- 21 **A. Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter of the activities  
22 discussed herein.
- 23 **B. Waiver of Hearing.** It is AGREED that Respondent hereby waives any right it has to a hearing and any and all  
24 administrative and judicial review of the issues raised in this matter or the resolution reached herein.
- 25 **C. No Admission of Liability.** It is AGREED that Respondent neither admits nor denies any wrongdoing by  
26 the entry of this Consent Order.



1 APPROVED FOR ENTRY:

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/s/

4-21-2021

3 Douglas E. Schwed, WSBA No. 11176

Date

4 Access Law Northwest, PLLC

Attorneys for Respondent

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1 THIS ORDER ENTERED THIS 30th DAY OF APRIL 2021.

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3 /s/ \_\_\_\_\_  
4 LUCINDA FAZIO, Director  
5 Division of Consumer Services  
6 Department of Financial Institutions

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8 Presented by:

Approved by:

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10 /s/ \_\_\_\_\_  
11 ANTHONY W. CARTER  
12 Senior Legal Examiner  
13 Division of Consumer Services  
14 Department of Financial Institutions

15 /s/ \_\_\_\_\_  
16 STEVEN C. SHERMAN  
17 Enforcement Chief  
18 Division of Consumer Services  
19 Department of Financial Institutions