Terms Completed

Name(s):	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.)	
Order Number:	C-20-2853-21-CO01	
Effective Date:	April 30, 2021	
NMLS Number:	55244	
License Effect:	None.	
Not Apply Until:	N/A	
Not Eligible Until:	N/A	
Prohibition/Ban Until :	N/A	

ORDER SUMMARY – Case Number: C-20-2853

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

STAT	E OF WASHINGTON
DEPARTMENT	OF FINANCIAL INSTITUTIONS
DIVISION (DF CONSUMER SERVICES
MATTER OF RETERMINING	

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

5 CENTRALBANC MORTGAGE CORPORATION, NMLS 55244, 6

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No. C-20-2853-21-CO01

CONSENT ORDER

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:

I. **FINDINGS OF FACT**

Respondent CentralBanc Mortgage Corporation. The Washington State Department of Financial 1.1 16 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.

18 1.2 **2016 Examination.** During August 2016, the Department conducted an on-site compliance examination of 19 Respondent to ascertain compliance with the Act, Rules, and applicable federal laws and regulations. During the 20 examination the Department reviewed 14 residential mortgage loan files and found 16 violations of the Act and 21 applicable federal laws and regulations. The Report of Examination (ROE) gave Respondent a risk rating of "4," 22 the worst rating a licensee can receive, and Respondent was referred to the Enforcement Unit.

23 **Investigation and 2017 Statement of Charges.** Based on that referral, on or about September 7, 2016, the 1.3 24 Department opened an investigation into Respondent. On or about March 31, 2017, the Department entered a 25 Statement of Charges (2017 Charges) against Respondent, alleging among other things that Respondent had

26 violated the Act by making inaccurate and incomplete loan disclosures to borrowers.

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CONSENT ORDER C-20-2853-21-CO01 CENTRALBANC MORTGAGE CORPORATION DEPARTMENT OF FINANCIAL INSTITUTIONS Division of Consumer Services PO Box 41200 Olympia, WA 98504-1200 (360) 902-8703

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

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

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II. CONCLUSIONS OF LAW

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

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III. AGREEMENT AND ORDER

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

Based upon the foregoing:

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

B. Waiver of Hearing. It is AGREED that Respondent hereby waives any right it has to a hearing and any and all
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 D. **Cease and Desist and Future Compliance.** It is AGREED that Respondent has represented and warranted 2 to the Department that it has ceased and desisted the violations of the Act, the Rules, and applicable federal laws 3 and regulations noted in the 2019 ROE. It is FURTHER AGREED and ORDERED that Respondent shall 4 henceforth comply with the Act and Rules, both now existing and as hereafter amended or enacted.

5 E. **Fine.** It is AGREED that Respondent shall pay a fine to the Department in the amount of \$5,000 pursuant to 6 Section F, Payment.

7 F. Investigation Fee. It is AGREED that Respondent shall pay an investigation fee to the Department in the 8 amount of \$1,000 pursuant to Section F, Payment.

9 G. **Payment.** The \$5,000 fine and \$1,000 investigation fee shall be paid to the Department in the form of a 10 \$6,000 cashier's check made payable to the "Washington State Treasurer," due upon delivery to the Department of 11 this fully executed and dated Consent Order.

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

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

18 J. Completely Read, Understood, and Agreed. It is AGREED that an authorized representative of

19 Respondent has read this Consent Order in its entirety and fully understands and agrees to all of the same.

20 K. Authority to Execute Order. It is AGREED that the undersigned authorized representative has represented

and warranted that he has the full power and right to execute this Consent Order on behalf of Respondent. 21

BY RESPONDENT: 22 CentralBanc Mortgage Corporation

/s/John W. Delaney President and CEO 25

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CONSENT ORDER C-20-2853-21-CO01 CENTRALBANC MORTGAGE CORPORATION

_April 21, 2021 Date

1	APPROVED FOR ENTRY:			
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3	<u>_/s/</u> Douglas E. Schwed, WSBA No. 11176	_ <u>4-21-2021</u> Date		
4	Access Law Northwest, PLLC Attorneys for Respondent			
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1	THIS ORDER ENTERED THIS 30th DAY (DF APRIL 2021.
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3		<u>/s/</u> LUCINDA FAZIO, Director
4		Division of Consumer Services
5		Department of Financial Institutions
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7		
8	Presented by:	Approved by:
9		
10	ANTHONY W. CARTER	_ <u>/s/</u> STEVEN C. SHERMAN
11	Senior Legal Examiner Division of Consumer Services	Enforcement Chief Division of Consumer Services
12	Department of Financial Institutions	Department of Financial Institutions
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