

ORDER SUMMARY – Case Number: C-21-3120

Name(s): Penrith Home Loans LLC

Order Number: C-21-3120-22-CO01

Effective Date: 5/26/2022

License Number: 713524

License Effect: Stayed 6 month suspension

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: N/A

Investigation Costs	\$7,104.58	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 5/18/2022
Fine	\$30,000 with \$20,000 Stayed	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 5/18/2022
Assessment(s)	\$ N/A	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$ N/A	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Financial Literacy and Education	\$ N/A	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Cost of Prosecution	\$ N/A	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
	No. of Victims:	N/A		

Comments: \$20,000 of the fine and the six month license suspension are both stayed contingent on compliance with the terms of the consent order, which includes not violating the laws and rules referenced in the attached Statement of Charges. Compliance with the consent order will be reviewed during an examination. The stay shall expire if the Department takes no action to impose the stayed sanctions within six months after issuance of a report on the examination.

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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-21-3120-22-CO01

CONSENT ORDER

PENRITH HOME LOANS LLC f/k/a WMS
SERIES LLC, f/k/a WMS SERIES LLC, A
DELAWARE SERIES LIMITED LIABILITY
COMPANY f/k/a WINDERMERE MORTGAGE
SERVICES SERIES LLC, A DELAWARE
SERIES LIMITED LIABILITY COMPANY,
NMLS #713524,

Respondent.

COMES NOW the Director of the Department of Financial Institutions (Director), through his
designee Lucinda Fazio, Division of Consumer Services Director, and Penrith Home Loans LLC
(Respondent PHL), 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 PHL have agreed upon a basis for resolution of the matters alleged in Statement of
Charges No. C-21-3120-22-SC01 (Statement of Charges), entered February 10, 2022, (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 PHL 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

1 economically and efficiently settled by entry of this Consent Order. The parties intend this Consent
2 Order to fully resolve the Statement of Charges.

3 Based on the foregoing:

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

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

11 **C. No Admission or Denial of Liability.** It is AGREED that the parties intend this Consent
12 Order to fully resolve the Statement of Charges and that Respondent PHL does not admit or deny any
13 wrongdoing by its entry.

14 **D. Future Violations.** It is AGREED that Respondent PHL shall not violate the laws and
15 rules specified in Section II of the Statement of Charges.

16 **E. Agreement to Take Affirmative Action.** It is AGREED that Respondent PHL shall take
17 affirmative action necessary to conduct business in a manner that does not violate the laws and rules
18 specified in Section II of the Statement of Charges.

19 **F. Compliance Examination.** It is AGREED that, at the Department's convenience, but no
20 earlier than 12 months from the date this Consent Order is entered, and at Respondent PHL's cost, the
21 Department will conduct an examination to ascertain Respondent PHL's compliance with the
22 applicable terms of this Consent Order (Compliance Examination). It is FURTHER AGREED that
23 if, within two years from the date this Consent Order is entered, the Department elects to conduct an

1 examination of Respondent PHL for any reason other than that of the Compliance Examination, the
2 Department may elect to combine the Compliance Examination and the examination conducted for
3 any other reason.

4 **G. License Suspension.** It is AGREED that Respondent PHL's license to conduct business
5 in Washington as a consumer loan company is subject to a six-month suspension by the Department.
6 It is FURTHER AGREED that the suspension of the Respondent PHL's consumer loan company
7 license is STAYED contingent on Respondent PHL's compliance with this Consent Order until six
8 months after the Department issues its report on the Compliance Examination (Report). It is
9 FURTHER AGREED that, if the Department does not seek to lift the stay and impose the six-month
10 suspension within the six month after the Department issues its Report, the stayed suspension shall
11 expire without further notice or action by the Department.

12 **H. Fine.** It is AGREED that Respondent PHL shall pay a fine to the Department in the
13 amount of \$30,000. It is FURTHER AGREED that \$20,000 of the fine is STAYED contingent on
14 Respondent PHL's compliance with this Consent Order until six months after the Department issues
15 its Report. It is FURTHER AGREED that, if the Department does not seek to lift the stay and
16 impose the remainder of the stayed fine within the six months after the Department issues its Report,
17 the stayed fine shall expire without further notice or action by the Department.

18 **I. Investigation Fee.** It is AGREED that Respondent PHL shall pay to the Department an
19 investigation fee of \$7,104.58. It is FURTHER AGREED that the Fine and Investigation Fee shall be
20 paid together in one \$17,104.58 cashier's check made payable to the "Washington State Treasurer."

21 **J. Lifting of Stay.** It is AGREED that:

- 22 1. If the Department determines Respondent PHL has not complied with this Consent
23 Order, and seeks to lift the stay and impose the \$20,000.00 stayed fine and the six

1 month license suspension, the Department will first serve Respondent PHL with a
2 written notice of noncompliance. The notice of noncompliance will include:

- 3 i. A description of the alleged noncompliance;
- 4 ii. A statement that the Department seeks to lift the stay and impose the stayed
5 fine and license suspension;
- 6 iii. Notice that Respondent PHL can contest the allegations of noncompliance
7 by either requesting an adjudicative hearing in writing or by submitting a
8 written response to the allegations of noncompliance; and
- 9 iv. Notice that the process for lifting the stay applies only to this Consent
10 Order.

- 11 2. Respondent PHL will be afforded twenty business days from the date of service of
12 the notice of noncompliance to submit to the Department either a written request for
13 an adjudicative hearing or a written response to the allegations of noncompliance.
- 14 3. The scope and issues of the adjudicative hearing are limited solely to whether or not
15 Respondent PHL has failed to comply with the terms of this Consent Order.
- 16 4. At the conclusion of the adjudicative hearing the Administrative Law Judge will
17 issue an initial decision. Either party may subsequently file a Petition for Review
18 with the Director of the Department.

19 **K. Authority to Execute Order.** It is AGREED that the undersigned have represented and
20 warranted that they have the full power and right to execute this Consent Order on behalf of the
21 parties represented.

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

1 **M. Voluntarily Entered.** It is AGREED that Respondent PHL has voluntarily entered into
2 this Consent Order, which is effective when signed by the Director’s designee.

3 **N. Completely Read, Understood, and Agreed.** It is AGREED that Respondent PHL has
4 read this Consent Order in its entirety and fully understand and agrees to all of the same.

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

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9
10 **RESPONDENT:**
11 Penrith Home Loans LLC

12 By:

13 _____
14 /s/
15 Greg Snow
16 President and CEO

17 _____
18 5/17/2022
19 Date

20 **APPROVED FOR ENTRY:**

21 _____
22 /s/
23 Tim J. Filer, WSBA # 16285
24 Foster Garvey PC
25 Attorneys for Respondent

26 _____
27 5/17/2022
28 Date

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 26th DAY OF May, 2022.



/s/

LUCINDA FAZIO, Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

/s/

AMANDA HERNDON
Financial Legal Examiner

/s/

RACHELLE VILLALOBOS
Financial Legal Examiner

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 PENRITH HOME LOANS LLC f/k/a WMS
6 SERIES LLC, f/k/a WMS SERIES LLC, A
7 DELAWARE SERIES LIMITED LIABILITY
COMPANY f/k/a WINDERMERE MORTGAGE
8 SERVICES SERIES LLC, A DELAWARE
SERIES LIMITED LIABILITY COMPANY,
NMLS #713524,

9 Respondent.

No. C-21-3120-22-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO CEASE AND DESIST, TAKE
AFFIRMATIVE ACTION, SUSPEND
LICENSE, IMPOSE FINE, COLLECT
INVESTIGATION FEE, and RECOVER
COSTS AND EXPENSES

10 INTRODUCTION

11 Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial
12 Institutions of the State of Washington (Director) is responsible for the administration of chapter
13 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to
14 RCW 31.04.145, and based on the facts available as of the date of this Statement of Charges, the
15 Director, through his designee, Division of Consumer Services Director Lucinda Fazio, institutes this
16 proceeding and finds as follows:

17 I. FACTUAL ALLEGATIONS

18 1.1 Respondent Penrith Home Loans LLC¹ (Respondent) was licensed by the Department of
19 Financial Institutions of the State of Washington (Department) to conduct business as a consumer
20 loan company on or about January 13, 2012, and continues to be licensed to date.
21

22 ¹ Respondent's main office name was formerly Windermere Mortgage Services Series LLC, a Delaware Series
23 Limited Liability Company from approximately January 13, 2012, to August 31, 2013; WMS Series LLC, a Delaware
Series Limited Liability Company, from approximately December 12, 2013, to July 5, 2015; and WMS Series LLC from
approximately July 6, 2015, to October 20, 2019.

1 **1.2 Examinations.** The Department conducted the following four examinations of Respondent
2 between 2013 and 2020:

3 **A. 2013 Examination.** Between approximately March 11, 2013, and March 21, 2013,
4 the Department conducted a compliance examination of Respondent pursuant to the Act. The
5 Department’s examiners noted violations of the Act, which included some of those set forth below.
6 The 2013 Report of Examination gave Respondent a risk rating of “3” on a scale of 1 to 5.² On or
7 about January 16, 2014, Respondent was placed on a Supervisory Watch.³

8 **B. 2014 Supervisory Watch Examination.** Between approximately December 10,
9 2014, and December 15, 2014, the Department conducted a Supervisory Watch Examination of
10 Respondent pursuant to the Act. The Department’s examiners noted violations of the Act which
11 included some of those set forth below.

12 **C. 2017 Examination.** Between approximately May 8, 2017, and May 11, 2017, the
13 Department conducted a compliance examination of Respondent pursuant to the Act. The
14 Department’s examiners noted violations of the Act, which included some of those set forth below.
15 The 2017 Report of Examination gave Respondent a risk rating of “3” on a scale of 1 to 5.

16 **D. 2020 Examination.** Between approximately October 12, 2020, and October 16, 2020,
17 the Department conducted a compliance examination of Respondent pursuant to the Act. The
18 Department’s examiners noted the violations set forth in Paragraphs 1.3 through 1.8 below, including
19
20

21 _____
22 ² A rating of “1” is the highest rating and means that the company has strong operational controls and the
23 examination has not revealed violations for prohibited practices, reimbursable violations, or repeat violations. A rating of
24 “5” is the lowest rating and means that the examination has revealed that the company has an inordinate volume of
operational weaknesses, requires immediate corrective action, and warrants constant supervisory attention.

³ “Supervisory Watch” means that the Department will schedule a follow-up examination to verify whether the
company has taken action to correct violations cited in a Report of Examination.

1 numerous repeat violations. The 2020 Report of Examination gave Respondent a risk rating of “4”
2 on a scale of 1 to 5.

3 **1.3 Repeat Violations.** Respondent has engaged in the following repeat violations:

4 **A. Failed to Timely Provide Loan Estimate.** Respondent failed to timely provide at
5 least one borrower with a Loan Estimate. The Department previously cited Respondent for this
6 violation in 2017 and for failing to timely provide a Good Faith Estimate in 2013.⁴

7 **B. Failed to Timely Provide Complete Homeownership Counseling List.** Respondent
8 failed to timely provide at least one borrower a complete list of homeownership counseling
9 organizations within three business days of receiving the completed loan application. This is a repeat
10 violation from the 2017 examination.

11 **C. Failed to Include Main Office Name or License Number with a Trade Name.**
12 While making at least five loans, Respondent identified itself by its trade name without also including
13 its main office name or license number. This is a repeat violation from the 2017 examination.
14 Additionally, in at least one file, Respondent transacted business using a prior company name.

15 **D. Blanks on Documents.** Respondent prepared and presented to borrowers documents
16 that had blanks fields that were missing required information. Specifically, Respondent provided at
17 least four borrowers with loan applications containing blank fields and at least five borrowers with a
18 Closing Disclosure containing blank fields. These are repeat violations from the 2013 examination
19 and 2017 examinations, respectively.

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23 ⁴ In 2015, the Loan Estimate disclosure replaced the Good Faith Estimate disclosure for closed-end consumer
credit transactions secured by real property or a cooperative unit.

1 **1.4 Unlicensed Activity.** From approximately December 1, 2019, to March 3, 2021,
2 Respondent's supervisor of processors, funders, and underwriters was not licensed under the Act as
3 required.

4 **1.5 Failed to Develop Compliant Supervisory Plans.** Between approximately July 1, 2018, and
5 July 31, 2020, Respondent employed six day-to-day operational supervisors. Respondent did not
6 have supervisory plans for four of the six supervisors. Moreover, from at least December 1, 2019, to
7 July 31, 2020, the supervisory plans for two of the six supervisors did not address the supervised
8 employees' physical location, type of work, and volume of work.

9 **1.6 Failed to Include Required Information in Advertisements.** In at least two of
10 Respondent's online advertisements, there was no link to the company's NMLS consumer access
11 web page. In at least two advertisements, Respondent used a prior company name rather than its
12 current company name.

13 **1.7 Advertised Guarantee that was Not Available.** In at least two advertisements, Respondent
14 advertised a promotion that Respondent was no longer offering.

15 **1.8 Failed to Provide Timely and Complete Rate Lock Agreement.** Respondent failed to
16 provide at least one borrower a timely rate lock agreement. In at least one file, Respondent failed to
17 provide a complete rate lock agreement.

18 **1.9 Failed to Provide Complete Notice of Servicing Transfer Disclosure.** Respondent failed to
19 provide at least four borrowers a complete notice of servicing transfer disclosure.

20 **1.10 On-Going Investigation.** The Department's investigation into the alleged violations of the
21 Act by Respondent continues to date.

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

2 **2.1 Requirement to Timely Provide Loan Estimates.** Based on the Factual Allegations set
3 forth in Section I above, Respondent is in apparent violation of RCW 31.04.027(1)(b), RCW
4 31.04.027(1)(m), and Regulation Z, 12 CFR Part 1026.

5 **2.2 Requirement to Timely Provide Complete Homeownership Counseling List.** Based on
6 the Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW
7 31.04.027(1)(b), RCW 31.04.027(1)(m), and Regulation X, 12 CFR Part 1024.

8 **2.3 Requirement to Include Main Office Name or License Number with a Trade Name.**
9 Based on the Factual Allegations set forth in Section I above, Respondent is in apparent violation of
10 RCW 31.04.027(1)(b) and WAC 208-620-420.

11 **2.4 Requirement to Provide Complete Documents for Borrower Signature.** Based on the
12 Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW
13 31.04.027(1)(b), WAC 208-620-550(8) and (18), RCW 31.04.027(1)(m), and Regulation Z, 12 CFR
14 Part 1026.

15 **2.5 Requirements for Employing Supervisors.** Based on the Factual Allegations set forth in
16 Section I above, Respondent is in apparent violation of RCW 31.04.027(1)(b) and WAC 208-620-
17 301(2), (5), and (6).

18 **2.6 Requirement to Include Information in Advertisements.** Based on the Factual Allegations
19 set forth in Section I above, Respondent is in apparent violation of RCW 31.04.027(1)(b), WAC 208-
20 620-622(1), and WAC 208-620-620.

21 **2.7 Advertised Guarantee that was Not Available.** Based on the Factual Allegations set forth
22 in Section I above, Respondent is in apparent violation of RCW 31.04.027(1)(b).

1 **2.8 Requirement to Provide Timely and Complete Rate Lock Agreements.** Based on the
2 Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW
3 31.04.027(1)(b), WAC 208-620-510(3)(a) - (c), and WAC 208-620-550(8).

4 **2.9 Requirement to Provide Complete Notice of Servicing Transfer Disclosure.** Based on the
5 Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW
6 31.04.027(1)(b), RCW 31.04.027(1)(m), and Regulation X, 12 CFR Part 1024.

7 **III. AUTHORITY TO IMPOSE SANCTIONS**

8 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 31.04.093(5)(a), the
9 Director may issue an order directing a licensee to cease and desist from conducting business in a
10 manner that is injurious to the public or violates any provision of the Act.

11 **3.2 Authority to Order Affirmative Action.** Pursuant to RCW 31.04.093(5)(b), the Director
12 may issue an order directing a licensee, its employee, loan originator, or other person subject to the
13 Act to take such affirmative action as is necessary to comply with the Act.

14 **3.3 Authority to Suspend License.** Pursuant to RCW 31.04.093(3)(b), the Director may suspend
15 a license when a licensee, for either knowingly or without the exercise of due care, has violated any
16 provision of the Act or any rule adopted under this Act.

17 **3.4 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
18 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or
19 any other person subject to the Act for any violation of the Act.

20 **3.5 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
21 610(7), every licensee investigated by the Director or the Director's designee shall pay for the cost of
22 the investigation, calculated at the rate of \$69.01 per staff hour devoted to the investigation.

1 **3.6 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
2 may recover the state's costs and expenses for prosecuting violations of the Act.

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

4 Respondent's violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,
5 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
6 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, RCW
7 34.04.202, and RCW 31.04.205. Therefore, it is the Director's intent to ORDER that:

- 8 **4.1** Respondent Penrith Home Loans LLC cease and desist from the violations cited in
9 Section II above.
- 10 **4.2** Respondent Penrith Home Loans LLC take affirmative action necessary to conduct
11 business in a manner that complies with the Act.
- 12 **4.3** Respondent Penrith Home Loans LLC's license to conduct the business of a consumer
13 loan company be suspended for a period of six months.
- 14 **4.4** Respondent Penrith Home Loans LLC pay a fine. As of the date of this Statement of
15 Charges, the fine totals \$30,000.
- 16 **4.5** Respondent Penrith Home Loans LLC pay an investigation fee. As of the date of this
17 Statement of Charges, the investigation fee totals \$7,104.58.
- 18 **4.6** Respondent Penrith Home Loans LLC pay the Department's costs and expenses for
19 prosecuting violations of the Act in an amount to be determined at hearing or by
20 declaration with supporting documentation in event of default by Respondent.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intent to Enter an Order to Cease and Desist, Take
3 Affirmative Action, Suspend License, Impose Fine, Collect Investigation Fee, and Recover Costs and
4 Expenses (Statement of Charges) is entered pursuant to the provisions of RCW 31.04.093, RCW
5 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05
6 RCW (The Administrative Procedure Act). Respondent may make a written request for a hearing as
7 set forth in the NOTICE OF OPPORTUNITY FOR ADJUDICATIVE HEARING AND TO
8 DEFEND accompanying this Statement of Charges.

9
10 Dated this 10th day of February, 2022.



11
12 /s/
13 LUCINDA FAZIO, Director
14 Division of Consumer Services
Department of Financial Institutions

15 Presented by:

16 /s/
17 AMANDA HERNDON
18 Financial Legal Examiner

19 /s/
20 RACHELLE VILLALOBOS
21 Financial Legal Examiner

22 Approved by:

23 /s/
24 JACK McCLELLAN
Enforcement Chief