

ORDER SUMMARY
Consumer Services Division Case Number C-23-3513

***Final Orders** resolve investigations where companies or individuals have been charged and then the Department has imposed sanctions.*

Once DFI serves the Final Order on the individual or company, the company or individual has 30 days to petition (formally ask) the Director of DFI to reconsider. The company or individual can appeal in superior court.

Names	InstaMortgage Inc, NMLS #1035734 Shashank Shekhar, NMLS #8176
Order Number	C-23-3513-23-FO01
Date issued	November 6, 2023

What does this Final Order require?

- Respondents must pay a fine of \$45,000.
- Respondents must pay an investigation fee of \$2,000 (Investigation fees cover the cost of DFI staff time working on the investigation).
- Respondents must cease and desist from conducting any advertisement that is in anyway false, misleading, or otherwise injurious to the public or violates any provision of the Consumer Loan Act.
- Respondents must maintain records in compliance with the Consumer Loan Act, provide DFI with the location of such records, and the contact information for the individual responsible for maintaining such records.

Need more information?

You can contact the Consumer Services Division, Enforcement unit at (360) 902-9703 or cseforcecomplaints@dfi.wa.gov. *Please remember that we cannot provide financial or legal advice to members of the public. We also cannot release confidential information.*

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

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

No.: C-23-3513-23-FO01

7 INSTAMORTGAGE, INC., NMLS No. 1035734,
8 and SHASHANK SHEKHAR, Chief Executive
9 Officer and Designated Broker, NMLS No. 8176,

FINAL ORDER RE:

InstaMortgage, Inc. & Shashank Shekhar

Respondents.

10 I. DIRECTOR'S CONSIDERATION

11 A. Default. This matter has come before the Director of the Department of Financial
12 Institutions of the State of Washington (Director), through his designee, Consumer Services Division
13 Director (Acting) Ali Higgs (Director's designee), pursuant to RCW 34.05.440(1).

14 On June 30, 2023, the Director, through the Director's designee then Consumer Services
15 Division Director Lucinda Fazio, issued a Statement of Charges and Notice of Intention to Enter an
16 Order to Cease and Desist, Impose Fine, and Collect Investigation Fee (Statement of Charges) against
17 Respondent InstaMortgage, Inc. (InstaMortgage), and Respondent Shashank Shekhar (Mr. Shekhar)
18 Chief Executive Officer and Designated Broker of InstaMortgage. A copy of the Statement of
19 Charges is attached and incorporated into this order by this reference. The Statement of Charges was
20 accompanied by a cover letter dated June 30, 2023, a Notice of Opportunity to Defend and
21 Opportunity for Hearing, and a blank Application for Adjudicative Hearing for each Respondent
(collectively, accompanying documents).

22 On June 30, 2023, the Department served Respondents with the Statement of Charges and
23 accompanying documents by both USPS 1st Class Mail and by FedEx Standard Overnight services.

24 On July, 3, 2023, the documents sent by Federal Express overnight delivery were delivered to

1 “G.LIN.” The documents sent by First-Class mail were not returned to the Department by the United
2 States Postal Service.

3 B. Record Presented. The record presented to the Director’s designee for her review and
4 for entry of a final decision included the following: Statement of Charges, cover letter dated June 30,
5 2023, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for
6 Adjudicative Hearing for Respondents, with documentation for service.

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8 C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(1), the
9 Director’s designee hereby adopts the Statement of Charges, which is attached hereto.

10 II. FINAL ORDER

11 Based upon the foregoing, and the Director’s designee having considered the record and being
12 otherwise fully advised, NOW, THEREFORE:

13 A. IT IS HEREBY ORDERED, That:

- 14 1. Respondents InstaMortgage, Inc. and Shashank Shekhar shall cease and desist
15 from conducting any advertisement that is in anyway false, misleading, or
16 otherwise injurious to the public or violates any provision of the Act.
- 17 2. Respondents InstaMortgage, Inc. and Shashank Shekhar shall jointly and severally
18 pay a fine of \$45,000.
- 19 3. Respondents InstaMortgage, Inc. and Shashank Shekhar shall jointly and severally
20 pay an investigation fee of \$2,000.
- 21 4. Respondents InstaMortgage, Inc. and Shashank Shekhar maintain records in
22 compliance with the Act and provide the Department with the location of the
23 books, records and other information relating to Respondent InstaMortgage, Inc.’s
24 consumer loan business, and the name, address and telephone number of the
individual responsible for maintenance of such records in compliance with the Act.

22 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a
23 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
24 must be filed in the Office of the Director of the Department of Financial Institutions by courier at

1 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
2 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The
3 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
4 Reconsideration a prerequisite for seeking judicial review in this matter.

5 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the
6 date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a
7 written notice specifying the date by which it will act on a petition.

8 C. Stay of Order. The Director's designee has determined not to consider a Petition to
9 Stay the effectiveness of this order. Any such requests should be made in connection with a Petition
10 for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

11 D. Judicial Review. Respondents have the right to petition the superior court for judicial
12 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for
13 filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

14 E. Non-compliance with Order. If you do not comply with the terms of this order,
15 **including payment of any amounts owed within 30 days of receipt of this order**, the Department
16 may seek its enforcement by the Office of the Attorney General to include the collection of the fines,
17 assessments, late penalties, fees, and restitution imposed herein. The Department also may assign the
18 amounts owed to a collection agency for collection.

19 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial
20 Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
21 attached hereto.

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DATED this 6th day of November, 2023.



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS



Ali Higgs, Acting Director
Division of Consumer Services

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

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

7 INSTAMORTGAGE, INC., NMLS No. 1035734,
8 and SHASHANK SHEKHAR, Chief Executive
9 Officer and Designated Broker, NMLS No. 8176,

10 Respondents.

No. C-23-3513-23-SC01

11 **STATEMENT OF CHARGES and**
12 **NOTICE OF INTENT TO ENTER AN**
13 **ORDER TO CEASE AND DESIST, IMPOSE**
14 **FINE, COLLECT INVESTIGATION FEE,**
15 **and RECOVER COSTS AND EXPENSES**

16 **INTRODUCTION**

17 Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial
18 Institutions of the State of Washington (Director) is responsible for the administration of chapter
19 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to
20 RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the
21 Director, through his designee, Division of Consumer Services Director Lucinda Fazio, institutes this
22 proceeding and finds as follows:

23 **I. FACTUAL ALLEGATIONS**

24 **1.1 Respondents.**

A. InstaMortgage, Inc. (Respondent InstaMortgage) was licensed by the Department of
Financial Institutions of the State of Washington (Department) to conduct business as a consumer
loan company on or about February 7, 2017, and continues to be licensed to date.

B. Shashank Shekhar (Respondent Shekhar) is Chief Executive Officer (CEO) of
Respondent InstaMortgage. Respondent Shekhar was licensed by the Department to conduct business
as a loan originator on or about March 23, 2012, and continues to be licensed to date.

1 **1.2 Unfair, Deceptive, False, or Misleading Advertisements.** On or about September 30, 2022,
2 Respondents mailed 2,000 advertisements to individuals in the State of Washington. The
3 advertisements were unfair, deceptive, false, or misleading, as described in more detail below.

4 **a. Improperly Suggested Governmental Affiliation.** The advertisements had
5 numerous design elements that resembled a governmental mailing and suggested a government
6 affiliation that did not exist. For example:

- 7 • Respondents labeled the advertisements “Equity Notice.”
- 8 • The advertisements included a notice number, which begins with “WA-VA.”
- 9 • The body of the advertisements had the heading “UNDERSTANDING YOUR VA
10 EQUITY BENEFIT.”
- 11 • The advertisements referred to an “EQUITY DISBURSEMENT LOAN program”
12 that was “limited to VA home owners and is non-transferable.”
- 13 • The advertisement referred to an “AVAILABLE EQUITY BENEFIT” and
14 suggested, under the heading “WHAT YOU NEED TO DO,” that recipients
15 needed only to call to “accept” the benefits.
- 16 • The body of the advertisements did not clearly identify the document as a
17 solicitation for a new loan from Respondent InstaMortgage.
- 18 • The advertisements targeted U.S. veterans and other VA loan recipients who were
19 customarily recipients of government mailers.

20 Taken together, these design elements suggested a governmental affiliation that did not exist and may
21 mislead recipients regarding the source of the advertisements.

22 **b. Failed to Identify Source of Current Loan Information.** The advertisements
23 included information about the recipients’ current loan that Respondents did not obtain from a
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1 solicitation, application, or loan, and Respondents did not provide the recipients with the name of the
2 source of the information.

3 **c. Misleading use of the Current Lender's Name.** In the advertisements, Respondents
4 used the name of each recipient's current lender twice. Respondents did not send the advertisements
5 on behalf of the recipients' current lender and did not disclose with equal prominence to the current
6 lender's name the name of Respondent InstaMortgage.

7 **d. Improperly Disclosed Terms.** In the advertisements, Respondents disclosed the
8 amount of a payment while failing to disclose in a clear and conspicuous manner: the period of time
9 during which each payment would apply, and the fact that the payments did not include amounts for
10 taxes and insurance premiums, if applicable, and that the actual payment obligation would be greater.

11 **e. Misrepresentation of Cash and Rate Available.** In the advertisements, Respondents
12 told recipients that their "program allows you to consolidate your debt and receive cash out
13 disbursement of" a certain dollar amount. The advertisements featured that same dollar amount in a
14 box entitled "AVAILABLE EQUITY BENEFIT." Further, the Respondents suggested recipients
15 needed only to call to "accept" the benefits. At the same time, in fine print and on the back of the
16 advertisements, Respondents disclaimed the dollar amount featured in the advertisements and
17 indicated that it was an "Example cash-out" based on an assumption that the recipient had adequate
18 equity in their property. Additionally, the advertisements contained the disclaimer "Interest rates are
19 subject to market fluctuations and the rate quoted may not be currently available."

20 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the
21 Act by Respondents continues to date.

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

23 **2.1 Unfair, Deceptive, False, or Misleading Advertisements.** Based on the Factual Allegations
24 set forth in Section I above, Respondents are in apparent violation of RCW 31.04.027(1)(b) for

1 directly or indirectly engaging in any unfair or deceptive practice toward any person; RCW
2 31.04.027(1)(e) for soliciting or advertising specific interest rates, points, or other financing terms
3 when the terms were not actually available at the time of soliciting or advertising; RCW
4 31.04.027(1)(g) for making in any manner, any false or deceptive statement or representation with
5 regard to the rates, points, or other financing terms of conditions for a residential mortgage loan or
6 engaging in bait and switch advertising; RCW 31.04.135 for advertising in any manner whatsoever,
7 any statement or representation with regard to the rates, terms, or conditions for the lending of money
8 that is false, misleading, or deceptive; and by being in apparent violation of the rules related to the
9 above referenced statutes, including WAC 208-620-550(5) and (22), and WAC 208-620-630(1), (6),
10 and (7).

11 **2.2 Noncompliant with Applicable Federal Advertising Laws.** Based on the Factual
12 Allegations set forth in Section I above, Respondents are in apparent violation of RCW
13 31.04.027(1)(m) and WAC 208-620-640 for failing to comply with applicable federal laws or rules
14 relating to the activities governed by the Act, including but not limited to the Federal Trade
15 Commission Act, 15 U.S.C. § 45(a); the Dodd-Frank Wall Street Reform and Consumer Protection
16 Act, 15 U.S.C. §5536(a); the Truth in Lending Act, 15 U.S.C. § 1601 *et seq.*, as implemented by
17 Regulation Z, including specifically 12 C.F.R. § 1026.24(a), (f)(3), (i)(4); and the Mortgage Acts and
18 Practices Advertising Rule, Regulation N, 12 C.F.R. § 1014.3(j), (n), (q), and (r).

19 **III. AUTHORITY TO IMPOSE SANCTIONS**

20 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 31.04.093(5)(a), the
21 Director may issue orders directing a licensee, its employee, loan originator, or other person subject
22 to the Act to cease and desist from conducting business in a manner that is injurious to the public or
23 violates any provision of the Act.

1 **3.2 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
2 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or
3 any other person subject to the Act for any violation of the Act or failure to comply with any order or
4 subpoena issued by the Director under the Act.

5 **3.3 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
6 610(7), every licensee investigated by the Director or the Director's designee shall pay for the cost of
7 the investigation, calculated at the rate of \$69.01 per staff hour devoted to the investigation.

8 **3.4 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
9 may recover the state's costs and expenses for prosecuting violations of the Act.

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

11 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,
12 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
13 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, RCW
14 31.04.202, and RCW 31.04.205. Therefore, it is the Director's intent to ORDER that:

15 **4.1** Respondents InstaMortgage, Inc. and Shashank Shekhar cease and desist from
16 conducting business in a manner that is injurious to the public or violates any
provision of the Act, including the violations cited in Section II above.

17 **4.2** Respondents InstaMortgage, Inc. and Shashank Shekhar jointly and severally pay a
18 fine of \$50,000.

19 **4.3** Respondents InstaMortgage, Inc. and Shashank Shekhar jointly and severally pay an
20 investigation fee. As of the date of this Statement of Charges, the investigation fee
totals \$2,000.

21 **4.4** Respondents InstaMortgage, Inc. and Shashank Shekhar maintain records in
22 compliance with the Act and provide the Department with the location of the books,
23 records and other information relating to Respondent InstaMortgage, Inc.'s consumer
loan business, and the name, address and telephone number of the individual
responsible for maintenance of such records in compliance with the Act.

1 **4.5** Respondent InstaMortgage, Inc. pay the Department’s costs and expenses for
2 prosecuting violations of the Act in an amount to be determined at hearing or by
 declaration with supporting documentation in event of default by Respondents

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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, Impose
3 Fine, and Collect Investigation Fee (Statement of Charges) is entered pursuant to the provisions of
4 RCW 31.04.093, RCW 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject to the
5 provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a
6 written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
7 OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

8 Dated this 29th day of June, 2023.

9 [Redacted Signature]

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

11 Presented by:

12 [Redacted Signature]



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15
16 NATHANIEL MCKEAN
Financial Legal Examiner

17 Approved by:

18 [Redacted Signature]

19 JACK McCLELLAN
Enforcement Chief