

**ORDER SUMMARY**  
**Consumer Services Division Case Number C-23-3653**

*Consent Orders resolve investigations. In these, companies and individuals work with us to agree to terms that resolve the alleged issues in the investigation.*

<b>Name</b>	<b>NewMortgage, LLC, NMLS #2115119</b> <b>Osvlado Lara, NMLS #1623601</b>
<b>Order Number</b>	C-23-3653-24-CO01
<b>Date issued</b>	May 6, 2024

**What does this Consent Order require?**

- Must pay an investigation fee of \$571.20. (Investigation fees cover the cost of DFI staff time working on the investigation.)
- Respondent NewMortgage, LLC's consumer loan company license application is withdrawn.
- Respondent NewMortgage LLC's mortgage broker license is surrendered.
- Respondent Osvlado Lara's loan originator license is surrendered.
- Respondents may not apply for consumer loan or mortgage broker license until May 6, 2027.

**Need more information?**

You can contact the Consumer Services Division, Enforcement unit at (360) 902-9703 or [cseforcecomplaints@dfi.wa.gov](mailto: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.*

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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES**

IN THE MATTER OF INVESTIGATING the  
Consumer Loan Company License Application  
under the Consumer Loan Act of Washington,  
And Investigating Whether there has been a  
violation of the Mortgage Broker Practices Act  
and Consumer Loan Act of Washington by:

No.: C-23-3653-24-CO01

**CONSENT ORDER**

NEWMORTGAGE, LLC,  
NMLS # 2115119,

and

OSVALDO LARA,  
NMLS # 1623601,

Respondents.

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COMES NOW the Director of the Department of Financial Institutions (Director), through his  
designee Ali Higgs, Division of Consumer Services Acting Director, and NewMortgage, LLC  
(Respondent NewMortgage) and Osvaldo Lara (Respondent Lara), owner and President of  
Respondent NewMortgage (collectively Respondents), 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), chapter 19.146 RCW, and RCW 34.05.060 of the Administrative Procedure Act, based on  
the following:

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**AGREEMENT AND ORDER**

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The Department of Financial Institutions, Division of Consumer Services (Department) and  
Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges  
No. C-23-3653-24-SC01 (Statement of Charges), entered January 17, 2024 (copy attached hereto).  
Pursuant to chapter 31.04 RCW, the Consumer Loan Act (CLA), and chapter 19.146 RCW, the

1 Mortgage Broker Practices Act (MBPA), and RCW 34.05.060 of the Administrative Procedure Act,  
2 Respondents hereby agree to the Department's entry of this Consent Order and further agree that the  
3 issues raised in the above-captioned matter may be economically and efficiently settled by entry of  
4 this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges.  
5 Respondents agree not to contest the Statement of Charges in consideration of the terms of this  
6 Consent Order.

7 Based upon the foregoing:

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

10 **B. Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a  
11 hearing before an administrative law judge, and hereby waive their right to a hearing and any and all  
12 administrative and judicial review of the issues raised in this matter, or of the resolution reached  
13 herein. Accordingly, Respondents, by their signatures or the signatures of their representatives  
14 below, withdraw their appeal to the Office of Administrative Hearings.

15 **C. No Admission of Liability.** The parties intend this Consent Order to fully resolve the  
16 Statement of Charges and agree that Respondents do not admit to any wrongdoing by its entry.

17 **D. Consumer Loan Company License Application Withdrawal.** It is AGREED that  
18 Respondent NewMortgage's consumer loan company license application is withdrawn.

19 **E. Mortgage Broker License Surrender.** It is AGREED that Respondent NewMortgage's  
20 mortgage broker license is surrendered. Respondents agree all required reports will be filed with the  
21 Department and any annual assessment due will be paid prior to entry of this Consent Order.

22 **F. Mortgage Loan Originator Surrender.** It is AGREED that Respondent Lara's license to  
23 conduct the business of a loan originator is surrendered.

1           **G. Application for License.** It is AGREED that, for a period of three (3) years from the date  
2 of entry of this Consent Order, Respondents shall not apply to the Department under any name for  
3 any license of any type, company level or individual mortgage loan originator, under the Consumer  
4 Loan Act or Mortgage Broker Practices Act. It is further AGREED that, should Respondents apply  
5 to the Department for any license under any name at any time later than three (3) years from the date  
6 of entry of this Consent Order, Respondents shall be required to meet any and all application  
7 requirements in effect at that time. With the entry of this order, Respondents acknowledge the  
8 requirements to obtain a license to conduct the business of a mortgage loan originator, consumer loan  
9 company, or mortgage broker.

10           **H. Investigation Fee.** It is AGREED that Respondents shall jointly and severally pay to the  
11 Department an investigation fee of \$571.20, in the form of a cashier's check made payable to the  
12 "Washington State Treasurer," upon delivery of this Consent Order to the Department, properly dated  
13 and signed.

14           **I. Change of Address.** It is AGREED that for the duration of the period this Consent Order  
15 is in effect, unless otherwise agreed to in writing by the Department, Respondents shall provide the  
16 Department with a mailing address and telephone number at which Respondent can be contacted and  
17 Respondents shall notify the Department in writing of any changes to the mailing address or  
18 telephone number within fifteen days of any such change.

19           **J. Records Retention.** It is AGREED that Respondents, its officers, employees, and agents  
20 shall maintain records in compliance with the Acts and provide the Director with the location of the  
21 books, records and other information relating to Respondent NewMortgage's mortgage broker  
22 business, and the name, address and telephone number of the individual responsible for maintenance  
23 of such records in compliance with the Acts.

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

4 **L. Non-Compliance with Order.** It is AGREED that Respondents understand that failure to  
5 abide by the terms and conditions of this Consent Order may result in further legal action by the  
6 Director. In the event of such legal action, Respondents may be responsible to reimburse the Director  
7 for the cost incurred in pursuing such action, including but not limited to, attorney fees.

8 **M. Voluntarily Entered.** It is AGREED that Respondents have voluntarily entered into this  
9 Consent Order, which is effective when signed by the Director's designee.

10 **N. Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read  
11 this Consent Order in its entirety and fully understand and agree to all of the same.

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


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16 **RESPONDENTS:**

17 **NewMortgage, LLC and Osvaldo Lara**

18 By: 

19 Osvaldo Lara  
20 Owner and President

21   
22 Osvaldo Lara  
23 Individually

4/14/24

Date

4/14/24

Date

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THIS ORDER ENTERED THIS 6th DAY OF May, 2024.

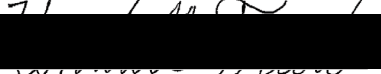


  
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Ali Higgs, Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

  
*Sandra Méndez*  
SANDRA MÉNDEZ  
Financial Legal Examiner

Reviewed by:

  
\_\_\_\_\_  
KENDALL H. FREED  
Financial Legal Examiner Supervisor

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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES**

IN THE MATTER OF INVESTIGATING the  
Consumer Loan Company License Application  
under the Consumer Loan Act of Washington,  
And Investigating Whether there has been a  
violation of the Mortgage Broker Practices Act  
and Consumer Loan Act of Washington by:

NEWMORTGAGE, LLC,  
NMLS # 2115119,

and

OSVALDO LARA,  
NMLS # 1623601,

Respondents.

No.: C-23-3653-24-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENT TO ENTER AN  
ORDER TO DENY CONSUMER LOAN  
COMPANY LICENSE APPLICATION,  
REVOKE MORTGAGE BROKER LICENSE,  
REVOKE LOAN ORIGINATOR LICENSE,  
PROHIBIT FROM THE INDUSTRY,  
COLLECT INVESTIGATION FEE, and  
RECOVER COSTS AND EXPENSES

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**INTRODUCTION**

Pursuant to RCW 31.04.093, RCW 31.04.165, RCW 19.146.220, and RCW 19.146.223, the  
Director of the Department of Financial Institutions of the State of Washington (Director) is  
responsible for the administration of chapter 31.04 RCW, the Consumer Loan Act (CLA), and  
chapter 19.146 RCW, the Mortgage Broker Practices Act (MBPA). After having conducted an  
investigation pursuant to RCW 31.04.055, RCW 31.04.145, and RCW 19.146.235, and based upon  
the facts available as of the date of this Statement of Charges, the Director, through his designee,  
Division of Consumer Services Acting Director Ali Higgs, institutes this proceeding and finds as  
follows:

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**I. FACTUAL ALLEGATIONS**

**1.1 NewMortgage, LLC** (Respondent NewMortgage) submitted an application to the  
Department of Financial Institutions of the State of Washington (Department) for a consumer loan

1 company license through the Nationwide Mortgage Licensing System<sup>1</sup> (NMLS) on or about  
2 September 2, 2022. Respondent NewMortgage was previously licensed by the Department to conduct  
3 business as a mortgage broker on or about April 15, 2021, and that license expired on December 31,  
4 2023, when Respondent NewMortgage did not request renewal of the license.

5 **1.2 Osvaldo Lara** (Respondent Lara), sole owner and President of Respondent NewMortgage,  
6 was licensed by the Department as a loan originator on or about January 8, 2018, and continues to be  
7 licensed to date. Respondent Lara is currently sponsored by Respondent NewMortgage.

8 **1.3 Prohibited Practices and Financial Responsibility, Character, and General Fitness.**

9 Respondent NewMortgage previously applied for a license in the state of Virginia to engage in  
10 business as a mortgage lender. On or about January 23, 2023, Virginia State Corporation  
11 Commissions Bureau of Financial Institutions (Virginia Bureau) denied the application because they  
12 found that Respondent Lara submitted a letter representing the letter was issued by the company's  
13 bank. The letter was verifying Respondent NewMortgage had the required amount of funds on  
14 deposit for operation of the business. The Virginia Bureau attempted to confirm the validity of the  
15 letter and found the bank had not created the letter. Respondent Lara admitted to the Virginia Bureau  
16 that he submitted the false document. Respondent NewMortgage submitted its application for a  
17 consumer loan company license in the state of Washington through NMLS for the Department to  
18 review. Under the disclosure question section, there is a subsection for regulatory actions. Question  
19 C5 asks, "In the past 10 years, has any State or federal regulatory agency or foreign financial  
20 regulatory authority or self-regulatory organization (SRO) ever denied, suspended, or revoked the  
21 entity's or a control affiliate's registration or license or otherwise, by order, prevented if from  
22 associating with a financial services-related business or restricted its activities?". Respondent  
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24 <sup>1</sup> The Nationwide Multistate Licensing System & Registry is a multistate licensing system developed and maintained by  
the Conference of State Bank Supervisors for licensing and registration.



1 NewMortgage initially answered “No” to that question and updated the answer to “Yes” on January  
2 23, 2023. Under the disclosure explanation section, Respondent Lara disclosed to the Department that  
3 he altered the letter issued by the bank that he submitted to the Virginia Bureau on behalf of  
4 Respondent New Mortgage.

## 6 II. GROUNDS FOR ENTRY OF ORDER

7 **2.1 Prohibited Practices.** Based on the factual allegation set forth in Section 1.3 above,  
8 Respondents are in apparent violation of RCW 19.146.0201(1) and (2) and RCW 31.04.027(1)(a) and  
9 (b) by directly or indirectly employing any scheme, device, or artifice to defraud or mislead  
10 borrowers or lenders or to defraud any person, and for directly or indirectly engaging in any unfair or  
11 deceptive practice toward any person, by altering a letter issued by the bank and providing that letter  
12 to state regulators.

13 **2.2 Requirement for Consumer Loan Company to Demonstrate Financial Responsibility,  
14 Character, and General Fitness.** Based on the Factual Allegations set forth in Section 1.3 above,  
15 Respondent NewMortgage fails to meet the requirements of RCW 31.04.055(1)(e) for a license by  
16 failing to demonstrate financial responsibility, experience, character, and general fitness of the  
17 applicant are such as to command the confidence of the community and to warrant a belief that the  
18 business will be operated honestly, fairly, and efficiently within the purposes of the CLA.

19 **2.3 Requirement for Mortgage Broker Company to Demonstrate Financial Responsibility,  
20 Character, and General Fitness.** Based on the Factual Allegations set forth in Section 1.3 above,  
21 Respondents fail to meet the requirements of RCW 19.146.210(f) by failing to demonstrate financial  
22 responsibility, character, and general fitness such as to command the confidence of the community  
23 and to warrant a belief that the business will be operated honestly, fairly, and efficiently within the  
24 purposes of the MBPA. Pursuant to WAC 208-660-163(4)(a), the Department’s investigation of an

1 applicant's character and general fitness may include a review of whether the applicant or other  
2 person subject to the MBPA has had any license or any authorization to do business under any similar  
3 statute of this or any other state, denied, suspended, or restricted within the prior five years.

4 **2.4 Requirement for Loan Originator to Demonstrate Financial Responsibility, Character,**  
5 **and General Fitness.** Based on the Factual Allegations set forth in Section 1.3 above, Respondent  
6 Lara fails to meet the requirements of RCW 19.146.310(g) by failing to demonstrate financial  
7 responsibility, character, and general fitness such as to command the confidence of the community  
8 and to warrant a determination that the business will operate honestly, fairly, and efficiently within  
9 the purposes of the MBPA. Pursuant to WAC 208-660-350(2)(a), the Department's investigation of  
10 an applicant's character and general fitness may include a review of the number and severity of  
11 complaints filed against the applicant, or any person the applicant was responsible for, and a review  
12 of any investigation or enforcement activity against the applicant, or any person the applicant was  
13 responsible for, in this state, or any jurisdiction. This investigation may also include a review of  
14 whether you have had a license issued under the MBPA or any similar state statute denied,  
15 suspended, restricted, or revoked.

### 16 III. AUTHORITY TO IMPOSE SANCTIONS

17 **3.1 Authority to Revoke Mortgage Broker and Loan Originator Licenses.** Pursuant to RCW  
18 19.146.220(2), the Director may revoke licenses for violations of orders, including cease and desist  
19 orders; false statements or omission of material information on the application that, if known, would  
20 have allowed the Director to deny the application for the original license; failure to pay a fee required  
21 by the Director or maintain the required bond; failure to comply with any directive, order, or  
22 subpoena of the Director; or any violation of the MBPA.

1 **3.2 Authority to Deny Application for Consumer Loan Company License.** Pursuant to RCW  
2 31.04.055(2), the Director shall not issue a consumer loan company license if the director finds the  
3 conditions of RCW 31.04.055 have not been met.

4 **3.3 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(4)(a) and (b), the  
5 Director may issue orders prohibiting from participation in the conduct of the affairs of a licensed  
6 mortgage broker any officer, principal, employee or loan originator of any licensed mortgage broker  
7 of any person subject to licensing under the MBPA for any violation of the MBPA, and for false  
8 statements or omissions of material information on the application that, if known, would have  
9 allowed the director to deny the application for the original license. Pursuant to RCW  
10 31.04.093(6)(e), the Director may issue an order prohibiting from participation in the affairs of any  
11 licensee, any officer, principal, employee, or mortgage loan originator, or any person subject to the  
12 CLA for any violation of RCW 31.04.027.

13 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-  
14 520(9) and (11), and WAC 208-660-550(4)(a), the Department may charge forty-eight dollars per  
15 hour for an examiner's time devoted to an investigation.

16 **3.5 Authority to Recover Costs and Expenses.** Pursuant to RCW 19.146.221(2) and RCW  
17 31.04.205(2), the Director may recover the state's costs and expenses for prosecuting violations of  
18 the MBPA and the CLA.

#### 19 **IV. NOTICE OF INTENT TO ENTER ORDER**

20 Respondents' violations of the provisions of chapter 31.04 RCW, chapter 208-620 WAC,  
21 chapter 19.146, and chapter 208-660 WAC as set forth in the above Factual Allegations, Grounds for  
22 Entry of Order, and Authority to Impose Sanctions, constitute a basis for the entry of an Order under  
23 RCW 31.04.093, RCW 31.04.165, RCW 31.04.205, RCW 31.04.055, RCW 19.146.210, RCW

1 19.146.220, RCW 19.146.221, RCW 19.146.223, and RCW 19.146.310. Therefore, it is the  
2 Director's intent to ORDER that:


- 3 4.1 Respondent NewMortgage, LLC's application for a consumer loan company license  
4 be denied.
- 5 4.2 Respondent NewMortgage, LLC's mortgage broker license be revoked.
- 6 4.3 Respondent Osvaldo Lara's license to conduct the business of a loan originator be  
7 revoked.
- 8 4.4 Respondents NewMortgage, LLC and Respondent Osvaldo Lara be prohibited from  
9 participation in the affairs of any person subject to the Mortgage Broker Practices Act  
10 or Consumer Loan Act for a period of five years.
- 11 4.5 Respondents NewMortgage, LLC and Respondent Osvaldo Lara jointly and severally  
12 pay an investigation fee to the Department. As of the date of this Statement of  
13 Charges, the investigation fee totals \$571.20.
- 14 4.6 Respondents NewMortgage, LLC and Respondent Osvaldo Lara jointly and severally  
15 pay the Department's costs and expenses for prosecuting violations of the Act in an  
16 amount to be determined at hearing, or by declaration with supporting documentation  
17 in event of default of either Respondent.

## 14 V. AUTHORITY AND PROCEDURE


15 This Statement of Charges and Notice of Intent to Enter an Order to Deny Consumer Loan  
16 Company License Application, Revoke Mortgage Broker License, Revoke Loan Originator License,  
17 Prohibit from the Industry, Collect Investigation Fee, and Recover Costs and Expenses (Statement of  
18 Charges) is issued pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.202,  
19 RCW 31.04.205, RCW 19.146.220, RCW 19.146.221, RCW 19.146.223, and RCW 19.146.230, and  
20 is subject to the provisions of chapter 34.05 RCW, the Administrative Procedure Act. Respondents  
21 may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO  
22 DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

23 Dated this 17th day of January 2024.

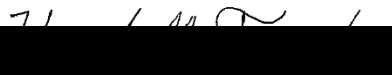


  
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Ali Higgs, Acting Director  
Division of Consumer Services  
Department of Financial Institutions


Presented by:

  
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SANDRA MÉNDEZ  
Financial Legal Examiner

Reviewed by:

  
\_\_\_\_\_  
KENDALL H. FREED  
Financial Legal Examiner Supervisor

Approved by:

  
\_\_\_\_\_  
JAMES R. BRUSSELBACK  
Acting Enforcement Chief