Terms Complete ORDER SUMMARY – Case Number: C-15-1808

Name:	Chad Carter So	chneider;		
Order Number:	C-15-1808-17-	-CO01		
Effective Date :	April 18, 2017			
License Number: Or NMLS Identifier [U/L]	NMLS #5577			
License Effect:	Application wi	thdrawn		
Not Apply Until:				
Not Eligible Until:				
Prohibition/Ban Until:	5 years from d	ate of entry		
Investigation Costs	\$	Due	Paid Y N	Date
Fine	\$	Due	Paid N	Date
Assessment(s)	\$	Due	Paid Y N	Date
Restitution	\$	Due	Paid Y N	Date
Judgment	\$	Due	Paid N	Date
Satisfaction of Judgment F		□ Y □ N		
	No. of Victims:			
Comments:				

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

IN THE MATTER OF INVESTIGATING the Mortgage Loan Originator License Application under the Consumer Loan Act of Washington by:

No.: C-15-1808-17-CO01

CHAD CARTER SCHNEIDER,

CONSENT ORDER

NMLS #5577,

Respondent.

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CONSENT ORDER C-15-1808-17-CO01 CHAD CARTER SCHNEIDER

Director), through her designee Charles E. Clark, Division Director, Division of Consumer Services, and Chad Carter Schneider (Respondent), 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:

COMES NOW the Acting Director of the Department of Financial Institutions (Acting

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-15-1808-16-SC01 (Statement of Charges), entered September 2, 2016, (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 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 economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges.

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 has been informed of the right to a hearing before an administrative law judge, and hereby waives his right to a hearing and any and all administrative and judicial review of the issues raised in this matter, or of the resolution reached herein. Accordingly, Respondent, by his signature below, withdraws his appeal to the Office of Administrative Hearings.
- C. **No Admission of Liability**. The parties intend this Consent Order to fully resolve the Statement of Charges and agree that Respondent does not admit to any wrongdoing by its entry.
- D. Mortgage Loan Originator License Application Withdrawal. It is AGREED that Respondent's Mortgage Loan Originator license application is withdrawn.
- E. **Prohibition from Industry**. It is AGREED that, for a period of five years from the date of entry of this Consent Order, Respondent is prohibited from participating, in any capacity, in the conduct of the affairs of any consumer loan company or mortgage broker licensed by the Department or subject to licensure or regulation by the Department. This prohibition applies only to participation involving Washington loans and does not apply to participation in the conduct of the affairs of a consumer loan company or mortgage broker involving loans to borrowers or secured by real property located in other states.
- F. Non-Compliance with Order. It is AGREED that Respondent understands that failure to abide by the terms and conditions of this Consent Order may result in further legal action by the Department. In the event of such legal action, Respondent may be responsible to reimburse the Department for the cost incurred in pursuing such action, including but not limited to, attorney fees.

1	G. Voluntarily Entered . It is AGREI	ED that Respondent has voluntarily entered into this
2	Consent Order, which is effective when signed	by the Acting Director's designee.
3	H. Completely Read, Understood, ar	nd Agreed. It is AGREED that Respondent has read
4	this Consent Order in its entirety and fully und	erstands and agrees to all of the same.
5		
6	RESPONDENT:	
7	/s/ CHAD CARTER SCHNEIDER	4/12/2017 Date
8	Individually	
9	Approved for Entry:	
10	J. STEVEN LOVEJOY	4/13/2017 Date
11	Attorney at Law Shumaker Williams P.C.	Date
12	Attorney for Respondent	
13	DO NOT WR	ITE BELOW THIS LINE
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24	CONSENT ORDER C-15-1808-17-C001 CHAD CARTER SCHNEIDER	3 DEPARTMENT OF FINANCIAL INSTITUTIONS Division of Consumer Services 150 Israel Rd SW

1	THIS ORDER E	NTERED THIS 18 th DAY OF April, 2017.
2		
3		/s/ CHARLES E. CLARK
4		Director
5		Division of Consumer Services Department of Financial Institutions
6	Descented by	
7	Presented by:	
8	ROBERT E. JONES	
9	ROBERT E. JONES Financial Legal Examiner	
10	Approved by:	
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12	STEVEN C. SHERMAN	
13	Enforcement Chief	
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CONSENT ORDER
C-15-1808-17-C001
CHAD CARTER SCHNEIDER

DEPARTMENT OF FINANCIAL INSTITUTIONS Division of Consumer Services 150 Israel Rd SW PO Box 41200 Olympia, WA 98504-1200 (360) 902-8703

STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS DIVISION OF CONSUMER SERVICES

IN THE MATTER OF INVESTIGATING the Mortgage Loan Originator License Application under the Consumer Loan Act of Washington by:

CHAD CARTER SCHNEIDER, NMLS #5577,

Respondent.

No.: C-15-1808-16-SC01

STATEMENT OF CHARGES and NOTICE OF INTENTION TO ENTER AN ORDER TO DENY LICENSE APPLICATION, PROHIBIT FROM INDUSTRY, AND COLLECT COSTS OF **PROSECUTION**

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INTRODUCTION

Pursuant to RCW 31.04.165, 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 (Act). After having conducted an investigation pursuant to RCW 31.04.247 and 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the Director, through his designee, Division of Consumer Services Director Charles E. Clark, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Chad Carter Schneider (Respondent Schneider) submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a mortgage loan originator license under Freedom Mortgage Corporation, a consumer loan company licensed under the Act. The license application was received by the Department, through the Nationwide Mortgage Licensing System and Registry, on or about October 7, 2015.

1.2 Prior Testing and Education Investigations. Respondent Schneider took the Virginia component of the SAFE test on or about April 13, 2012. During that test, Respondent Schneider was alleged to have accessed notes in violation of the test rules. The Mortgage Testing and Education Board investigated the allegations and determined that Respondent Schneider violated the Rules of STATEMENT OF CHARGES DEPARTMENT OF FINANCIAL INSTITUTIONS

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1	Conduct for test takers on or about August 28, 2012. The determination was upheld following an
2	appeal on or about October 25, 2012.
3	1.3 Responses to Application Questions. The "NMLS or SRR Testing Rules of Conduct
4	Disclosure" section of the Uniform Individual Mortgage License/Registration & Consent form (Form
5	MU4) consists of two questions. The required New Application Checklist includes the following
6	instruction: "Provide complete details of all events or proceedings for any "Yes" answer to any of
7	the disclosure questions on your MU4 filing." Respondent Schneider answered "no" to the following
8	question on the "NMLS or SRR Testing Rules of Conduct Disclosure" section of his form MU4:
9	• (R)(1) Have you ever been found to have violated any Rule of Conduct for test takers of
10	the SAFE MLO Test or found to have violated the NMLS Industry Terms of Use as it
11	pertains to enrolling, scheduling or taking the SAFE MLO Test?
12	Respondent Schneider was obligated by statute to answer questions on the Form MU4 truthfully and
13	to provide the Department with complete details of all events or proceedings.
14	1.4 Character and General Fitness. Respondent Schneider has not demonstrated character and
15	general fitness as evidenced by Respondent Schneider's violation of the code of conduct for test
16	takers and Respondent Schneider's failure to truthfully disclose the violation to the Department in his
17	application.
18	II. GROUNDS FOR ENTRY OF ORDER
19	2.1 Requirement to Demonstrate Financial Responsibility, Character, and General Fitness.
20	Based on the Factual Allegations set forth in Section I above, Respondent fails to meet the
21	requirements of RCW 31.04.247(1)(e) and WAC 208-620-710(4)(a) by failing to demonstrate
22	character and general fitness such as to command the confidence of the community and to warrant a
23	belief that Respondent will conduct business honestly, and fairly within the purposes of the Act.

1	2.2 Requirement to Provide Information on License Application. Based on the Factual
2	Allegations set forth in Section I above, Respondent fails to meet the requirements of RCW
3	31.04.234 and 31.04.241(2) by failing to provide an accurate license application in the form
4	prescribed by the Director.
5	2.3 False Statements or Omissions of Material Facts. Based on the Factual Allegations set
6	forth in Section I above, Respondent violated RCW 31.04.027(8) by negligently making any false
7	statement or knowingly and willfully making any omission of material fact in connection with any
8	investigation conducted by the Department.
9	III. AUTHORITY TO IMPOSE SANCTIONS
10	3.1 Authority to Deny Application for Loan Originator License. Pursuant to RCW
11	31.04.247(2), the Director shall not issue a license if the conditions of RCW 31.04.247(1) have not
12	been met by the applicant, and shall notify the applicant of the denial.
13	3.2 Authority to Prohibit from Industry. Pursuant to RCW 31.04.093(6)(a) and (e), the
14	Director may issue orders removing from office or prohibiting from participation in the conduct of
15	the affairs of any licensee, or both, any officer, principal, employee, or loan originator of any person
16	subject to this chapter for a violation of RCW 31.04.027.
17	3.3 Authority to Recover Costs and Expenses. Pursuant to RCW 31.04.205(2), the Director
18	may recover the state's costs and expenses for prosecuting violations of the Act
19	IV. NOTICE OF INTENTION TO ENTER ORDER
20	Respondent's violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,
21	as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
22	Sanctions, constitute a basis for the entry of an Order under RCW 31.04.055, RCW 31.04.093, RCW
23	31.04.165, and RCW 31.04.247. Therefore, it is the Director's intention to ORDER that:

1	4.1	Respondent Chad Carter Schneider's application for a mortgage loan originator license be denied.
2		neemse se demed.
3	4.2	Respondent Chad Carter Schneider be prohibited from participation in the conduct of the affairs of any mortgage loan originator subject to licensure by the Director under chapter 31.04 and chapter 19.146, in any manner, for seven years.
4		chapter 31.04 and chapter 17.140, in any manner, for seven years.
5	4.3	Respondent Chad Carter Schneider pay the Department's costs and expenses for prosecuting violations of the Act in an amount to be determined at hearing or by declaration with supporting documentation in event of default by Respondent.
6	//	declaration with supporting documentation in event of default by Respondent.
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24	STATEMENT OF C	CHARGES 4 DEPARTMENT OF FINANCIAL INSTITUTIONS

STATEMENT OF CHARGES C-15-1808-16-SC01 CHAD CARTER SCHNEIDER DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703

V. AUTHORITY AND PROCEDURE

2	This Statement of Charges and Notice of Intention to Enter an Order to Deny License
3	Application and Prohibit from Industry (Statement of Charges) is entered pursuant to the provisions
4	of RCW 31.04.093, RCW 31.04.165, and RCW 31.04.202, and is subject to the provisions of chapter
5	34.05 RCW (The Administrative Procedure Act). Respondent may make a written request for a
6	hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
7	HEARING accompanying this Statement of Charges.
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9	Dated this 2 nd day of September, 2016.
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11	/s/ CHARLES E. CLARK
12	Director Division of Consumer Services
13	Department of Financial Institutions
14	Presented by:
15	/s/
16	ROBERT E. JONES Financial Legal Examiner
17	Financiai Legai Examinei
18	Approved by:
19	STEVEN C. SHERMAN
20	Enforcement Chief
21	
22	
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STATEMENT OF CHARGES C-15-1808-16-SC01 CHAD CARTER SCHNEIDER

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