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

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Mortgage Broker Practices Act of Washington by:

DAMEON V. SIMS,

Respondent.

NO. C-04-075-05-CO01

CONSENT ORDER

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Chuck Cross, Division Director, Division of Consumer Services, and Dameon V. Sims (Respondent Sims), and finding that the issues raised in the captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of 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 Sims have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-04-075-05-SC02 (Amended Statement of Charges), entered August 8, 2005, (copy attached hereto). Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondent Sims 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 Amended 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 Sims has been informed of the right to a hearing before an administrative law judge, and that he has waived his right to a hearing and any and all administrative and

CONSENT ORDER

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DEPARTMENT OF FINANCIAL INSTITUTIONS  
Division of Consumer Services  
150 Israel Rd SW  
PO Box 41200  
Olympia, WA 98504-1200  
(360) 902-8795

1 judicial review of the issues raised in this matter, or of the resolution reached herein. Accordingly, Respondent  
2 Sims agrees to withdraw his appeal and to inform the Office of Administrative Hearings in writing of his  
3 withdrawal.

4 **C. Admission of Facts and Violation of the Act.** With regard to the Factual Allegations contained in  
5 Section I (paragraphs 1.1 through 1.5) of the Amended Statement of Charges:

- 6 1. **Paragraph 1.1:** Respondent Sims admits to all of the Factual Allegations contained in paragraph  
7 1.1 of the Amended Statement of Charges.
- 8 2. **Paragraph 1.2:** Respondent Sims admits to all of the Factual Allegations contained in paragraph  
9 1.2 of the Amended Statement of Charges. In addition, without contradicting this admission,  
10 Respondent Sims contends that he submitted an application to Curt Lillibridge of Silver Lake  
11 Mortgage, Inc. to obtain a branch Mortgage Broker License under Silver Lake Mortgage, Inc.'s  
12 existing Mortgage Broker License issued by the Department.
- 13 3. **Paragraph 1.3(A):** Respondent Sims admits to all of the Factual Allegations contained in  
14 paragraph 1.3(A) of the Amended Statement of Charges. In addition, without contradicting this  
15 admission, Respondent contends that he was acting as an independent contractor with America  
16 One Finance, Inc.
- 17 4. **Paragraph 1.3(B):** Respondent Sims admits to all of the Factual Allegations contained in  
18 paragraph 1.3(B) of the Amended Statement of Charges.
- 19 5. **Paragraph 1.4(A):** Respondent Sims admits to all of the Factual Allegations contained in  
20 paragraph 1.4(A) of the Amended Statement of Charges.
- 21 6. **Paragraph 1.4(B)(1):** Respondent Sims admits that, in at least one (1) of the residential mortgage  
22 loans he originated from the unlicensed location listed in paragraph 1.1 of the Amended  
23 Statement of Charges, the purchase price was inflated so that the seller paid at least forty-two  
24 thousand four hundred fifty-five dollars (\$42,455.00) at closing for non-existent property  
25

improvements that were to have been performed by an individual who had originally applied as a co-borrower on the loan. While Respondent Sims does not admit that fraud was involved in the origination of this loan, Respondent Sims acknowledges that the evidence is sufficient such that an Administrative Law Judge could find that fraud was involved in the origination of this loan.

7. **Paragraph 1.4(B)(2):** Respondent Sims admits that, in at least one (1) of the residential mortgage loans he originated from the unlicensed location listed in paragraph 1.1 of the Amended Statement of Charges, the purchase price was inflated so that the sellers paid at least nine thousand nine hundred dollars (\$9,900.00) at closing to a mortgage broker working with Respondent Sims at that unlicensed location. While Respondent Sims does not admit that fraud was involved in the origination of this loan, Respondent Sims acknowledges that the evidence is sufficient such that an Administrative Law Judge could find that fraud was involved in the origination of this loan.

8. **Paragraph 1.4(B)(3):** Respondent Sims admits that, in at least one (1) of the residential mortgage loans he originated from the unlicensed location listed in paragraph 1.1 of the Amended Statement of Charges, an attempt was made to inflate the purchase price and have the sellers pay at least seventeen thousand eight hundred seventy-five dollars (\$17,875.00) at closing for property improvements that were to have been performed by an individual who was actually the spouse of the borrower. While Respondent Sims does not admit that fraud was involved in the origination of this loan, Respondent Sims acknowledges that the evidence is sufficient such that an Administrative Law Judge could find that fraud was involved in the origination of this loan.

9. **Paragraph 1.4(B)(4):** Respondent Sims admits to all of the Factual Allegations contained in paragraph 1.4(B)(4) of the Amended Statement of Charges.

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1           10. **Paragraph 1.5:** Respondent Sims admits to all of the Factual Allegations contained in paragraph  
2           1.5 of the Amended Statement of Charges.

3       It is AGREED that, based on these admissions, Respondent Sims violated RCW 19.146.0201(1), (2) & (3);  
4       violated RCW 19.146.030; violated RCW 19.146.200; and violated RCW 19.146.265.

5           **D. Prohibition from Industry.** It is AGREED that Respondent Sims is prohibited from participating in  
6       the conduct of the affairs of any mortgage broker licensed by the Department or any mortgage broker exempt from  
7       Washington law under RCW 19.146.020(1)(d) or (f) for fifteen (15) years from the date of entry of this Consent  
8       Order in any capacity, including but not limited to: (1) any financial capacity whether active or passive or (2) as an  
9       officer, director, principal, designated broker, employee, or loan originator or (3) any management, control,  
10      oversight or maintenance of any trust account(s) in any way related to any residential mortgage transaction or (4)  
11      receiving, disbursing, managing or controlling in any way, consumer trust funds in any way related to any  
12      residential mortgage transaction.

13          **E. Application for Mortgage Broker License.** It is AGREED that Respondent Sims shall not apply to  
14      the Department for any license issued pursuant to chapter 19.146 RCW under any name for a period of fifteen (15)  
15      years from the date of entry of this Consent Order. It is further AGREED that, should Respondent Sims apply to  
16      the Department for a mortgage broker license at any time later than fifteen (15) years from the date of entry of this  
17      Consent Order, Respondent Sims shall be required to meet any and all application requirements in effect at that  
18      time.

19          **F. Complete Cooperation with the Department (statements).** It is AGREED that Respondent Sims  
20      shall provide the Department truthful and complete sworn statements outlining his activities with respect to  
21      America One Finance, Inc. (America One) and/or Silver Lake Mortgage, Inc. (Silver Lake), and any and all  
22      persons involved or in any way associated with America One and/or Silver Lake, including but not limited to  
23      owners, employees, independent contractors, agents, businesses and persons with whom America One and/or  
24      Silver Lake dealt, communicated, or otherwise related. The "sworn statements" may take the form of affidavits,

1 declarations, or deposition testimony, at the Department's discretion. A failure to cooperate fully, truthfully and  
2 completely is a breach of this Consent Order.

3 **G. Complete Cooperation with the Department.** It is AGREED that Respondent Sims shall cooperate  
4 fully, truthfully and completely with the Department and provide any and all information known to him relating in  
5 any manner to America One and/or Silver Lake and any and all persons involved or in any way associated with  
6 America One and/or Silver Lake, including but not limited to owners, employees, independent contractors, agents,  
7 businesses and persons with whom America One and/or Silver Lake dealt, communicated, or otherwise related. It  
8 is further AGREED that Respondent Sims shall provide any and all documents, writings or materials, or objects or  
9 things of any kind in his possession or under his care, custody, or control that he is authorized to possess, obtain,  
10 or distribute relating directly or indirectly to all areas of inquiry and investigation. It is further AGREED that  
11 Respondent shall testify fully, truthfully and completely at any proceeding related to the Department's  
12 investigation and enforcement actions related to America One and/or Silver Lake and any Respondents named  
13 therein. A failure to cooperate fully, truthfully and completely is a breach of this Consent Order.

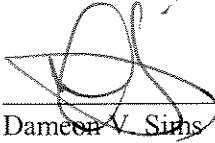
14 **H. Non-Compliance with Order.** It is AGREED that Respondent Sims understands that failure to  
15 abide by the terms and conditions of this Consent Order may result in further legal action by the Director. In  
16 the event of such legal action, Respondent Sims may be responsible to reimburse the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

18 **I. Voluntarily Entered.** It is AGREED that the undersigned Respondent has voluntarily entered into  
19 this Consent Order, which is effective when signed by the Director's designee.

20 **J. Completely Read, Understood, and Agreed.** It is AGREED that Respondent Sims has read this  
21 Consent Order in its entirety and fully understand and agree to all of the same.

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1 **RESPONDENT:**

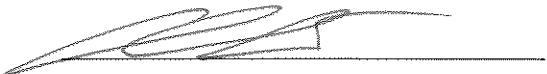
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Darnell V. Sims

10/24/05  
Date

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7 DO NOT WRITE BELOW THIS LINE

8 THIS ORDER ENTERED THIS 15<sup>th</sup> DAY OF <sup>November</sup> ~~OCTOBER~~, 2005.



  
CHUCK CROSS  
Director  
Division of Consumer Services  
Department of Financial Institutions

CONSENT ORDER

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

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Mortgage Broker Practices Act of Washington by:

DAMEON V. SIMS,

Respondent.

NO. C-04-075-05-SC02

**AMENDED STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER AN  
ORDER TO IMPOSE FINE, ORDER RESTITUTION,  
PROHIBIT FROM INDUSTRY, AND COLLECT  
INVESTIGATION FEE**

**INTRODUCTION**

Pursuant to 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 19.146 RCW, the Mortgage Broker Practices Act (Act). The referenced statutes (RCW) and rules (WAC) are attached, in pertinent part.

After conducting an investigation pursuant to RCW 19.146.235, and based upon the facts available as of August 19, 2004, the Director issued Statement of Charges and Notice of Intention to Enter an Order to Impose Fine, Prohibit from Industry, and Collect Investigation Fee C-04-075-04-SC01 (Statement of Charges SC01) on August 19, 2004. Respondent Dameon V. Sims was served with Statement of Charges SC01 on August 20, 2004. After the issuance of Statement of Charges SC01, certain information came to the attention of the Director that requires the amendment of Statement of Charges SC01. Based upon the facts available as of August 9, 2005, the Director now proceeds to amend Statement of Charges SC01 by issuing Amended Statement of Charges and Notice of Intention to Enter an Order to Impose Fine, Order Restitution, Prohibit from Industry, and Collect Investigation Fee C-04-075-05-SC02, which includes the following modifications: increasing the residential mortgage loans discussed in paragraph 1.3; adding Factual Allegations in Paragraphs 1.4 and 1.5; and modifying the Grounds for Entry of Order (Section II) and Notice of Intention to Enter Order (Section III) pursuant to the modifications to the Factual Allegations in Section I.

**AMENDED STATEMENT OF CHARGES  
C-04-075-05-SC02  
DAMEON V. SIMS**

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DEPARTMENT OF FINANCIAL INSTITUTIONS  
Division of Consumer Services  
150 Israel Rd SW  
PO Box 41200  
Olympia, WA 98504-1200  
(360) 902-8795

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## I. FACTUAL ALLEGATIONS

1.1 **Respondent: Dameon V. Sims** is known to have conducted the business of a mortgage broker at the following location:

10900 NE 4<sup>th</sup> Street, Ste 2300  
Bellevue, WA 98004

1.2 **License:** To date, Respondent has never applied for, or received, a license from the Department of Financial Institutions of the State of Washington (Department) to conduct the business of a mortgage broker.

1.3 **Unlicensed Activity:**

A. Beginning in or around January 2003, Respondent began holding himself out to the public as a loan originator for America One Finance, Inc. (America One) at the address listed in paragraph 1.1 above. The Respondent and America One have never had an independent contractor agreement on file with the Department, as required under RCW 19.146.200 for such a relationship to be a valid exception to licensure. The Department has no evidence that such an agreement ever existed, and America One denies ever having had an employment relationship with Respondent. America One is currently licensed by the Department to conduct the business of a mortgage broker, however to date, America One has never applied for, or received, a license from the Department to conduct the business of a mortgage broker at the address listed in paragraph 1.1 above.

On or around January 26, 2004, Respondent interviewed Carol A. Connor (Connor) in Respondent's office at the address listed in paragraph 1.1 above, completed a Uniform Residential Loan Application form on her behalf, obtained her credit report, and provided her with a Good Faith Estimate statement and Truth In Lending Disclosure statement. On or around March 11, 2004, Connor signed closing documents in Respondent's office at the address listed in paragraph 1.1 above. Respondent forwarded these documents to the settlement agent, Lawyers Title Agency of Washington (Lawyers Title). On or around March 16, 2004, Lawyers Title closed the residential mortgage loan originated by Respondent for Connor. America One received a loan origination fee of two thousand five hundred seventeen dollars and fifty cents (\$2,517.50) for this loan. Lawyers Title forwarded Connor's proceeds, and America One's origination fee, to Respondent's attention at the address listed in paragraph 1.1 above.



1 B. In or around March 2004, Respondent became an independent contractor with Silver Lake  
2 Mortgage, Inc. dba Hometown Lending (Silver Lake). During a visit by Department personnel on June 29,  
3 2004 to the address listed in paragraph 1.1 above, Respondent provided Department personnel with a business  
4 card listing Respondent as "Branch Manager" for "Hometown Lending" at the address listed in paragraph 1.1  
5 above. Silver Lake is currently licensed by the Department to conduct the business of a mortgage broker,  
6 however to date, Silver Lake has never applied for, or received, a license from the Department to conduct the  
7 business of a mortgage broker at the address listed in paragraph 1.1 above.

8 Between March 1, 2004 and December 9, 2004, Respondent assisted at least fourteen (14)  
9 borrowers in applying to obtain residential mortgage loans on property located in the State of Washington from  
10 the unlicensed location discussed in paragraph 1.1. Respondent assisted at least eleven (11) of these borrowers  
11 in obtaining residential mortgage loans. The borrowers involved in these residential mortgage loans paid fees to  
12 Silver Lake totaling at least fifty-one thousand six hundred forty-five dollars (\$51,645.00).

#### 12 1.4 Prohibited Acts:

13 A. The following events transpired in relation to the Connor residential mortgage loan discussed in  
14 paragraph 1.3A above.

- 15 1. On or around March 5, 2004, Respondent provided Lawyers Title with a twenty-three  
16 thousand five hundred eighty dollar and fifty-four cent (\$23,580.54) invoice from "NC  
17 Services" to be paid out of the proceeds from the Connor loan. The invoice was dated  
18 February 18, 2004, listed "Description of Fees" as "Consulting and Management Fee,"  
19 listed "Remit Payment to" address as "677 120<sup>th</sup> Ave NE, Ste 237, Bellevue, WA 98055",  
20 and listed "Fax:" as "206-203-3206."
- 21 2. On March 16, 2004, Lawyers Title attempted to deliver a check to the address listed on the  
22 NC Services invoice, but the courier was unable to deliver it, noting that the address  
23 appeared to be a Post Net store. On March 17, 2004, Lawyers Title contacted Connor to  
24 obtain alternate delivery instructions, and was informed by Connor that she had no

1 knowledge of the invoice. On March 18, 2004, Connor signed a letter on Lawyers Title  
2 letterhead stating that she had no knowledge of the NC Services invoice submitted to  
3 Lawyers Title by Respondent.

4 3. On June 29, 2004, Respondent provided a sworn statement to Department personnel  
5 declaring that Respondent originated the NC Services invoice and provided it to Lawyers  
6 Title in an attempt to get money for living expenses and to pay back a borrower from a  
7 previous transaction, Respondent provided no services to Connor to support the invoice,  
8 and Connor had no knowledge of the invoice.

9 4. Respondent pled guilty to one felony count of Attempted Theft in the First Degree related  
10 to the Connor loan, and on May 6, 2005, Respondent was sentenced in King County  
11 Superior Court, Cause No. 05-1-04346-2 SEA, for this criminal charge.

12 B. The following events transpired in relation to the residential mortgage loans discussed in  
13 paragraph 1.3B above.

14 1. In at least one (1) of the residential mortgage loans discussed in paragraph 1.3B, the  
15 purchase price was fraudulently inflated so that the seller paid at least forty-two thousand  
16 four hundred fifty-five dollars (\$42,455.00) at closing for non-existent property  
17 improvements. These fees were paid to a fraudulent improvement provider who originally  
18 applied as a co-borrower on the loan and who later obtained a residential mortgage loan,  
19 also originated by Respondent, claiming to be a flight attendant. The fraudulent  
20 improvement provider subsequently paid at least twelve thousand four hundred fifty-five  
21 dollars (\$12,455.00) of these fees to Respondent for "consultant fees" and at least five  
22 thousand six hundred dollars (\$5,600.00) of these fees to the seller.

23 2. In at least one (1) of the residential mortgage loans discussed in paragraph 1.3B, the  
24 purchase price was fraudulently inflated so that the sellers paid at least nine thousand nine  
25 hundred dollars (\$9,900.00) at closing to a mortgage broker working with Respondent at

1 the unlicensed location discussed in paragraph 1.1. The payment was made to the  
2 mortgage broker's sole proprietorship, which was doing business under a fictitious name or  
3 "dba."

4 3. In at least one (1) of the residential mortgage loans discussed in paragraph 1.3B, an attempt  
5 was made to fraudulently inflate the purchase price and have the sellers pay at least  
6 seventeen thousand eight hundred seventy-five dollars (\$17,875.00) at closing for non-  
7 existent property improvements. These fees were to be paid to a fraudulent improvement  
8 provider who was actually the spouse of the borrower and who appears to be a professional  
9 opera singer.

10 4. In at least four (4) of the residential mortgage loans discussed in paragraph 1.3B, borrower  
11 income was fraudulently overstated.

#### 11 **1.5 Prohibited Fees:**

12 A. As stated in paragraph 1.3A above, Respondent provided a Good Faith Estimate to Connor on  
13 or around January 26, 2004. This Good Faith Estimate disclosed five thousand five hundred twenty-five dollars  
14 (\$5,525.00) in total fees inuring to the benefit of the mortgage brokers involved. The Final Settlement  
15 Statement (HUD-1) listed twenty-nine thousand three hundred fifteen dollars and fifty-four cents (\$29,315.54)  
16 in total fees inuring to the benefit of the mortgage brokers involved, including the twenty-three thousand five  
17 hundred eighty dollar and fifty-four cent (\$23,580.54) NC Services invoice submitted by Respondent discussed  
18 in paragraph 1.4 above. Respondent provided Connor with no written explanation of the fees exceeding those  
19 disclosed in the initial Good Faith Estimate.

20 B. In the course of originating the residential mortgage loan discussed in paragraph 1.4B1,  
21 Respondent provided a Good Faith Estimate to the borrower on or around May 27, 2004. This Good Faith  
22 Estimate disclosed eleven thousand forty-five dollars (\$11,045.00) in total fees inuring to the benefit of the  
23 mortgage brokers involved. The Final HUD-1 listed twenty-three thousand seven hundred seventy dollars  
24 (\$23,770.00) in total fees inuring to the benefit of the mortgage brokers involved, including the twelve thousand

four hundred fifty-five dollars (\$12,455.00) that was subsequently paid to Respondent out of the forty-two thousand four hundred fifty-five dollar (\$42,455.00) invoice submitted by the fraudulent improvement provider, as discussed in paragraph 1.4B1. Respondent provided this borrower with no written explanation of the fees exceeding those disclosed in the initial Good Faith Estimate.

C. In the course of originating the residential mortgage loan discussed in paragraph 1.4B2, Respondent provided a Good Faith Estimate to the borrowers on or around May 20, 2004. This Good Faith Estimate disclosed four hundred eighty-five dollars (\$485.00) in total fees inuring to the benefit of the mortgage brokers involved. The HUD-1 listed eleven thousand six hundred dollars and fifty cents (\$11,600.50) in total fees inuring to the benefit of the mortgage brokers involved, including nine thousand nine hundred dollars (\$9,900.00) paid to the sole proprietorship of a mortgage broker who was doing business under a fictitious name or "dba" with Respondent from the unlicensed location discussed in paragraph 1.1, as discussed in paragraph 1.4B1. Respondent provided these borrowers with no written explanation of the fees exceeding those disclosed in the initial Good Faith Estimate.

## II. GROUNDS FOR ENTRY OF ORDER

**2.1 Definition of Mortgage Broker:** Pursuant to RCW 19.146.010(12) and WAC 208-660-010(29), "Mortgage Broker" means any person who for compensation or gain, or in the expectation of compensation or gain (a) makes a residential mortgage loan or assists a person in obtaining or applying to obtain a residential mortgage loan or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a person in obtaining or applying to obtain a residential mortgage loan.

**2.2 Prohibited Acts:** Based on the Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW 19.146.020(1), (2), (3), (6), (12) and (14) for directly or indirectly employing a scheme, device or artifice to defraud or mislead borrowers or lenders or to defraud any person, engaging in unfair or deceptive practices toward any person, obtaining property by fraud or misrepresentation, failing to make disclosures to loan applicant as required by RCW 19.146.030, charging, attempting to collect, and collecting a fee prohibited by RCW 19.146.030, and failing to comply with any provision of RCW 19.146.030.

1 **2.3 Prohibited Fees:** Based on the Factual Allegations set forth in Section I above, Respondent is in  
2 apparent violation of RCW 19.146.030(4) for charging a fee inuring to the benefit of a mortgage broker  
3 exceeding the fee disclosed on the initial written disclosures without providing the borrower, at least three  
4 business days prior to the signing of the loan closing documents, a clear written explanation of the fee and the  
5 reason for charging a fee exceeding that which was previously disclosed.

6 **2.4 Requirement to Obtain and Maintain License:** Based on the Factual Allegations set forth in Section  
7 I above, Respondent is in apparent violation of RCW 19.146.200 for engaging in the business of a mortgage  
8 broker without first obtaining and maintaining a license under the Act.

9 **2.5 Requirement to Obtain and Maintain Branch License:** Based on the Factual Allegations set forth in  
10 Section I above, Respondent is in apparent violation of RCW 19.146.265 for engaging in the business of a  
11 mortgage broker from a fixed physical location without first obtaining and maintaining a branch license for that  
12 fixed physical location under the Act.

13 **2.6 Authority to Impose Fine:** Pursuant to RCW 19.146.220(2)(c)(i) and WAC 208-660-165, the Director  
14 may impose fines on a licensee, employee or loan originator of the licensee, or other person subject to the Act  
15 for any violation of RCW 19.146.0201(1) through (9) or (12), RCW 19.146.030, RCW 19.146.200 or RCW  
16 19.146.265.

17 **2.7 Authority to Order Restitution:** Pursuant to RCW 19.146.220(d)(ii), the Director may issue orders  
18 directing a licensee, its employee or loan originator, or other person subject to the Act to pay restitution to an  
19 injured borrower.

20 **2.8 Authority to Prohibit from the Industry:** Pursuant to RCW 19.146.220(2)(e)(i), the Director may  
21 prohibit from participation in the conduct of the affairs of a licensed mortgage broker, any officer, principal,  
22 employee, or loan originator of any licensed mortgage broker or any person subject to licensing under the Act  
23 for any violation of RCW 19.146.0201(1) through (9) or (12), RCW 19.146.030, RCW 19.146.200 or RCW  
24 19.146.265.

2.9 **Authority to Charge Investigation Fee:** Pursuant to RCW 19.146.228(2), WAC 208-660-060(4) and WAC 208-660-061, upon completion of any investigation of the books and records of a licensee or other person subject to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover the cost of the investigation. The investigation charge will be calculated at the rate of forty-seven dollars and seventy-eight cents (\$47.78) per hour that each staff person devoted to the investigation.

### III. NOTICE OF INTENTION TO ENTER ORDER

Respondent's violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth in the above Factual Allegations and Grounds for Entry of Order, constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221 and RCW 19.146.223. Therefore, it is the Director's intention to ORDER that:

- 3.1 Respondent Dameon V. Sims pay a fine of \$57,500.00 for
  - a. Eight (8) violations of RCW 19.146.0201(1), (2) and (3), each calculated at \$100.00 per day for 30 days; and
  - b. Violating RCW 19.146.030, calculated at \$100.00 per day for 30 days; and
  - c. Violating RCW 19.146.200, calculated at \$100.00 per day for 30 days; and
  - d. Violating RCW 19.146.265, calculated at \$100.00 per day for 275 days; and
- 3.2 Respondent Dameon V. Sims be prohibited from participation in the conduct of the affairs of any licensed mortgage broker, in any manner, for a period of ten (10) years; and
- 3.3 Respondent Dameon V. Sims pay restitution to all borrowers injured by Respondent's violations of the Act, including at least \$22,355.00 to the borrowers discussed in paragraphs 1.4B1 & 2 and 1.5B & C for undisclosed loan fees inuring to the benefit of a mortgage broker; and
- 3.4 Respondent Dameon V. Sims pay an investigation fee in the amount of \$5,972.50 calculated at \$47.78 per hour for one hundred twenty-five (125) staff hours devoted to the investigation.

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#### IV. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice of Intention to Enter an Order to Impose Fine, Prohibit from Industry and Collect Investigation Fee (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondent may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

Dated this 8th day of August, 2005.

  
CHUCK CROSS  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

  
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1 **RCW 19.146.010 Definitions.**

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

2 ...  
(12) "Mortgage broker" means any person who for compensation or gain, or in the expectation of compensation or gain  
(a) makes a residential mortgage loan or assists a person in obtaining or applying to obtain a residential mortgage loan or  
(b) holds himself or herself out as being able to make a residential mortgage loan or assist a person in obtaining or applying  
3 to obtain a residential mortgage loan.  
4 ...

5 [1997 c 106 § 1; 1994 c 33 § 3; 1993 c 468 § 2; 1987 c 391 § 3.]

6 **RCW 19.146.0201 Loan originator, mortgage broker -- Prohibitions -- Requirements.**

It is a violation of this chapter for a loan originator, mortgage broker required to be licensed under this chapter, or  
mortgage broker otherwise exempted from this chapter under RCW 19.146.020(1) (d) or (f) in connection with a  
7 residential mortgage loan to:

8 (1) Directly or indirectly employ any scheme, device, or artifice to defraud or mislead borrowers or lenders or to defraud  
any person;

9 (2) Engage in any unfair or deceptive practice toward any person;

10 (3) Obtain property by fraud or misrepresentation;

11 (4) Solicit or enter into a contract with a borrower that provides in substance that the mortgage broker may earn a fee or  
commission through the mortgage broker's "best efforts" to obtain a loan even though no loan is actually obtained for the  
borrower;

12 (5) Solicit, advertise, or enter into a contract for specific interest rates, points, or other financing terms unless the terms are  
actually available at the time of soliciting, advertising, or contracting from a person exempt from licensing under RCW  
13 19.146.020(1) (f) or (g) or a lender with whom the mortgage broker maintains a written correspondent or loan brokerage  
agreement under RCW 19.146.040;

14 (6) Fail to make disclosures to loan applicants and noninstitutional investors as required by RCW 19.146.030 and any other  
15 applicable state or federal law;

16 (7) Make, in any manner, any false or deceptive statement or representation with regard to the rates, points, or other  
financing terms or conditions for a residential mortgage loan or engage in bait and switch advertising;

17 (8) Negligently make any false statement or knowingly and willfully make any omission of material fact in connection  
with any reports filed by a mortgage broker or in connection with any investigation conducted by the department;

18 (9) Make any payment, directly or indirectly, to any appraiser of a property, for the purposes of influencing the  
independent judgment of the appraiser with respect to the value of the property;

19 (10) Advertise any rate of interest without conspicuously disclosing the annual percentage rate implied by such rate of  
interest or otherwise fail to comply with any requirement of the truth-in-lending act, 15 U.S.C. Sec. 1601 and Regulation Z,  
20 12 C.F.R. Sec. 226, the real estate settlement procedures act, 12 U.S.C. Sec. 2601 and Regulation X, 24 C.F.R. Sec. 3500,  
or the equal credit opportunity act, 15 U.S.C. Sec. 1691 and Regulation B, Sec. 202.9, 202.11, and 202.12, as now or  
21 hereafter amended, in any advertising of residential mortgage loans or any other mortgage brokerage activity;

22 (11) Fail to pay third-party providers no later than thirty days after the recording of the loan closing documents or ninety  
days after completion of the third-party service, whichever comes first, unless otherwise agreed or unless the third-party  
23 service provider has been notified in writing that a bona fide dispute exists regarding the performance or quality of the  
third-party service;



(12) Collect, charge, attempt to collect or charge or use or propose any agreement purporting to collect or charge any fee prohibited by RCW 19.146.030 or 19.146.070;

(13)(a) Except when complying with (b) and (c) of this subsection, to act as a mortgage broker in any transaction (i) in which the mortgage broker acts or has acted as a real estate broker or salesperson or (ii) in which another person doing business under the same licensed real estate broker acts or has acted as a real estate broker or salesperson;

(b) Prior to providing mortgage broker services to the borrower, the mortgage broker, in addition to other disclosures required by this chapter and other laws, shall provide to the borrower the following written disclosure:  
THIS IS TO GIVE YOU NOTICE THAT I OR ONE OF MY ASSOCIATES HAVE/HAS ACTED AS A REAL ESTATE BROKER OR SALESPERSON REPRESENTING THE BUYER/SELLER IN THE SALE OF THIS PROPERTY TO YOU. I AM ALSO A LICENSED MORTGAGE BROKER, AND WOULD LIKE TO PROVIDE MORTGAGE BROKERAGE SERVICES TO YOU IN CONNECTION WITH YOUR LOAN TO PURCHASE THE PROPERTY. YOU ARE NOT REQUIRED TO USE ME AS A MORTGAGE BROKER IN CONNECTION WITH THIS TRANSACTION. YOU ARE FREE TO COMPARISON SHOP WITH OTHER MORTGAGE BROKERS AND LENDERS, AND TO SELECT ANY MORTGAGE BROKER OR LENDER OF YOUR CHOOSING; and

(c) A real estate broker or salesperson licensed under chapter 18.85 RCW who also acts as a mortgage broker shall carry on such mortgage brokerage business activities and shall maintain such person's mortgage brokerage business records separate and apart from the real estate brokerage activities conducted pursuant to chapter 18.85 RCW. Such activities shall be deemed separate and apart even if they are conducted at an office location with a common entrance and mailing address, so long as each business is clearly identified by a sign visible to the public, each business is physically separated within the office facility, and no deception of the public as to the separate identities of the brokerage business firms results. This subsection (13)(c) shall not require a real estate broker or salesperson licensed under chapter 18.85 RCW who also acts as a mortgage broker to maintain a physical separation within the office facility for the conduct of its real estate and mortgage brokerage activities where the director determines that maintaining such physical separation would constitute an undue financial hardship upon the mortgage broker and is unnecessary for the protection of the public; or

(14) Fail to comply with any provision of RCW 19.146.030 through 19.146.080 or any rule adopted under those sections.

[1997 c 106 § 3; 1994 c 33 § 6; 1993 c 468 § 4.]

**RCW 19.146.030 Written disclosure of fees and costs -- Rules -- Contents -- Lock-in agreement terms -- Excess fees limited.**

(1) Within three business days following receipt of a loan application or any moneys from a borrower, a mortgage broker shall provide to each borrower a full written disclosure containing an itemization and explanation of all fees and costs that the borrower is required to pay in connection with obtaining a residential mortgage loan, and specifying the fee or fees which inure to the benefit of the mortgage broker and other such disclosures as may be required by rule. A good faith estimate of a fee or cost shall be provided if the exact amount of the fee or cost is not determinable. This subsection shall not be construed to require disclosure of the distribution or breakdown of loan fees, discount, or points between the mortgage broker and any lender or investor.

(2) The written disclosure shall contain the following information:

(a) The annual percentage rate, finance charge, amount financed, total amount of all payments, number of payments, amount of each payment, amount of points or prepaid interest and the conditions and terms under which any loan terms may change between the time of disclosure and closing of the loan; and if a variable rate, the circumstances under which the rate may increase, any limitation on the increase, the effect of an increase, and an example of the payment terms resulting from an increase. Disclosure in compliance with the requirements of the truth-in-lending act, 15 U.S.C. Sec. 1601 and Regulation Z, 12 C.F.R. Sec. 226, as now or hereafter amended, shall be deemed to comply with the disclosure requirements of this subsection;

(b) The itemized costs of any credit report, appraisal, title report, title insurance policy, mortgage insurance, escrow fee, property tax, insurance, structural or pest inspection, and any other third-party provider's costs associated with the residential mortgage loan. Disclosure through good faith estimates of settlement services and special information booklets

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1 in compliance with the requirements of the real estate settlement procedures act, 12 U.S.C. Sec. 2601, and Regulation X,  
2 24 C.F.R. Sec. 3500, as now or hereafter amended, shall be deemed to comply with the disclosure requirements of this  
subsubsection;

3 (c) If applicable, the cost, terms, duration, and conditions of a lock-in agreement and whether a lock-in agreement has  
4 been entered, and whether the lock-in agreement is guaranteed by the mortgage broker or lender, and if a lock-in agreement  
has not been entered, disclosure in a form acceptable to the director that the disclosed interest rate and terms are subject to  
change;

5 (d) A statement that if the borrower is unable to obtain a loan for any reason, the mortgage broker must, within five days  
6 of a written request by the borrower, give copies of any appraisal, title report, or credit report paid for by the borrower to  
the borrower, and transmit the appraisal, title report, or credit report to any other mortgage broker or lender to whom the  
borrower directs the documents to be sent;

7 (e) Whether and under what conditions any lock-in fees are refundable to the borrower; and

8 (f) A statement providing that moneys paid by the borrower to the mortgage broker for third-party provider services are  
held in a trust account and any moneys remaining after payment to third-party providers will be refunded.

9 (3) If subsequent to the written disclosure being provided under this section, a mortgage broker enters into a lock-in  
10 agreement with a borrower or represents to the borrower that the borrower has entered into a lock-in agreement, then no  
less than three business days thereafter including Saturdays, the mortgage broker shall deliver or send by first-class mail to  
the borrower a written confirmation of the terms of the lock-in agreement, which shall include a copy of the disclosure  
made under subsection (2)(c) of this section.

11 (4) A mortgage broker shall not charge any fee that inures to the benefit of the mortgage broker if it exceeds the fee  
12 disclosed on the written disclosure pursuant to this section, unless (a) the need to charge the fee was not reasonably  
foreseeable at the time the written disclosure was provided and (b) the mortgage broker has provided to the borrower, no  
13 less than three business days prior to the signing of the loan closing documents, a clear written explanation of the fee and  
the reason for charging a fee exceeding that which was previously disclosed. However, if the borrower's closing costs,  
14 excluding prepaid escrowed costs of ownership as defined by rule, does not exceed the total closing costs in the most  
recent good faith estimate, no other disclosures shall be required by this subsection.

15 [1997 c 106 § 4; 1994 c 33 § 18; 1993 c 468 § 12; 1987 c 391 § 5.]

16 **RCW 19.146.200 License -- Required -- Independent contractor -- Suit or action as mortgage broker -- Display of  
license.**

17 (1) A person may not engage in the business of a mortgage broker, except as an employee of a person licensed or exempt  
from licensing, without first obtaining and maintaining a license under this chapter. However, a person who independently  
18 contracts with a licensed mortgage broker need not be licensed if the licensed mortgage broker and the independent  
contractor have on file with the director a binding written agreement under which the licensed mortgage broker assumes  
responsibility for the independent contractor's violations of any provision of this chapter or rules adopted under this  
chapter; and if the licensed mortgage broker's bond or other security required under this chapter runs to the benefit of the  
19 state and any person who suffers loss by reason of the independent contractor's violation of any provision of this chapter or  
rules adopted under this chapter.

20 (2) A person may not bring a suit or action for the collection of compensation as a mortgage broker unless the plaintiff  
21 alleges and proves that he or she was a duly licensed mortgage broker, or exempt from the license requirement of this  
chapter, at the time of offering to perform or performing any such an act or service regulated by this chapter. This  
22 subsection does not apply to suits or actions for the collection or compensation for services performed prior to October 31,  
1993.

23 (3) The license must be prominently displayed in the mortgage broker's place of business.

24 [1997 c 106 § 8; 1994 c 33 § 7; 1993 c 468 § 5.]

**RCW 19.146.220 Director -- Powers and duties -- Violations as separate violations -- Rules.**

(1) The director shall enforce all laws and rules relating to the licensing of mortgage brokers, grant or deny licenses to mortgage brokers, and hold hearings.

(2) The director may impose the following sanctions:

(a) Deny applications for licenses for: (i) Violations of orders, including cease and desist orders issued under this chapter; or (ii) any violation of RCW 19.146.050 or 19.146.0201 (1) through (9);

(b) Suspend or revoke licenses for:

(i) False statements or omission of material information on the application that, if known, would have allowed the director to deny the application for the original license;

(ii) Failure to pay a fee required by the director or maintain the required bond;

(iii) Failure to comply with any directive or order of the director; or

(iv) Any violation of RCW 19.146.050, 19.146.060(3), 19.146.0201 (1) through (9) or (12), 19.146.205(4), or 19.146.265;

(c) Impose fines on the licensee, employee or loan originator of the licensee, or other person subject to this chapter for:

(i) Any violations of RCW 19.146.0201 (1) through (9) or (12), 19.146.030 through 19.146.080, 19.146.200, 19.146.205(4), or 19.146.265; or

(ii) Failure to comply with any directive or order of the director;

(d) Issue orders directing a licensee, its employee or loan originator, or other person subject to this chapter to:

(i) Cease and desist from conducting business in a manner that is injurious to the public or violates any provision of this chapter; or

(ii) Pay restitution to an injured borrower; or

(e) Issue orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker or any person subject to licensing under this chapter for:

(i) Any violation of 19.146.0201 (1) through (9) or (12), 19.146.030 through 19.146.080, 19.146.200, 19.146.205(4), or 19.146.265; or

(ii) False statements or omission of material information on the application that, if known, would have allowed the director to deny the application for the original license;

(iii) Conviction of a gross misdemeanor involving dishonesty or financial misconduct or a felony after obtaining a license; or

(iv) Failure to comply with any directive or order of the director.

(3) Each day's continuance of a violation or failure to comply with any directive or order of the director is a separate and distinct violation or failure.

(4) The director shall establish by rule standards for licensure of applicants licensed in other jurisdictions.

(5) The director shall immediately suspend the license or certificate of a person who has been certified pursuant to RCW 74.20A.320 by the department of social and health services as a person who is not in compliance with a support order or a \*residential or visitation order. If the person has continued to meet all other requirements for reinstatement during the suspension, reissuance of the license or certificate shall be automatic upon the director's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order.

[1997 c 106 § 12; 1997 c 58 § 879; 1996 c 103 § 1; 1994 c 33 § 12; 1993 c 468 § 8.]

**RCW 19.146.221 Action by director -- Hearing -- Sanction.**

The director may, at his or her discretion and as provided for in \*RCW 19.146.220(2), take any action specified in RCW 19.146.220(1). If the person subject to such action does not appear in person or by counsel at the time and place designated for any administrative hearing that may be held on the action then the person shall be deemed to consent to the action. If the person subject to the action consents, or if after hearing the director finds by a preponderance of the evidence that any grounds for sanctions under this chapter exist, then the director may impose any sanction authorized by this chapter.

[1994 c 33 § 13.]

**RCW 19.146.223 Director -- Administration and interpretation.**

The director shall have the power and broad administrative discretion to administer and interpret the provisions of this chapter to fulfill the intent of the legislature as expressed in RCW 19.146.005.

[1994 c 33 § 2.]

**RCW 19.146.228 Fees -- Rules -- Exception.**

The director shall establish fees by rule in accordance with RCW 43.24.086 sufficient to cover, but not exceed, the costs of administering this chapter. These fees may include:

- (1) An annual assessment paid by each licensee on or before a date specified by rule;
- (2) An investigation fee to cover the costs of any investigation of the books and records of a licensee or other person subject to this chapter; and
- (3) An application fee to cover the costs of processing applications made to the director under this chapter.

Mortgage brokers shall not be charged investigation fees for the processing of complaints when the investigation determines that no violation of this chapter occurred or when the mortgage broker provides a remedy satisfactory to the complainant and the director and no order of the director is issued. All moneys, fees, and penalties collected under the authority of this chapter shall be deposited into the financial services regulation fund, unless the consumer services account is created as a dedicated, nonappropriated account, in which case all moneys, fees, and penalties collected under this chapter shall be deposited in the consumer services account.

[2001 c 177 § 5; 1997 c 106 § 13; 1994 c 33 § 9.]

**RCW 19.146.230 Administrative procedure act application.**

The proceedings for denying license applications, issuing cease and desist orders, suspending or revoking licenses, and imposing civil penalties or other remedies issued pursuant to this chapter and any appeal therefrom or review thereof shall be governed by the provisions of the administrative procedure act, chapter 34.05 RCW.

[1994 c 33 § 16; 1993 c 468 § 10.]

**RCW 19.146.235 Director -- Investigation powers -- Duties of person subject to examination or investigation.**

For the purposes of investigating complaints arising under this chapter, the director may at any time, either personally or by a designee, examine the business, including but not limited to the books, accounts, records, and files used therein, of every licensee and of every person engaged in the business of mortgage brokering, whether such a person shall act or claim to act under or without the authority of this chapter. For that purpose the director and designated representatives shall have access

1 during regular business hours to the offices and places of business, books, accounts, papers, records, files, safes, and vaults  
2 of all such persons.

3 The director or designated person may direct or order the attendance of and examine under oath all persons whose  
4 testimony may be required about the loans or the business or subject matter of any such examination or investigation, and  
5 may direct or order such person to produce books, accounts, records, files, and any other documents the director or  
6 designated person deems relevant to the inquiry. If a person who receives such a directive or order does not attend and  
7 testify, or does not produce the requested books, records, files, or other documents within the time period established in the  
8 directive or order, then the director or designated person may issue a subpoena requiring attendance or compelling  
9 production of books, records, files, or other documents. No person subject to examination or investigation under this  
10 chapter shall withhold, abstract, remove, mutilate, destroy, or secrete any books, records, computer records, or other  
11 information.

12 Once during the first two years of licensing, the director may visit, either personally or by designee, the licensee's place or  
13 places of business to conduct a compliance examination. The director may examine, either personally or by designee, a  
14 sample of the licensee's loan files, interview the licensee or other designated employee or independent contractor, and  
15 undertake such other activities as necessary to ensure that the licensee is in compliance with the provisions of this chapter.  
16 For those licensees issued licenses prior to March 21, 1994, the cost of such an examination shall be considered to have  
17 been prepaid in their license fee. After this one visit within the two-year period subsequent to issuance of a license, the  
18 director or a designee may visit the licensee's place or places of business only to ensure that corrective action has been  
19 taken or to investigate a complaint.

20 [1997 c 106 § 14; 1994 c 33 § 17; 1993 c 468 § 11.]

21 **RCW 19.146.265 Branch offices -- Fee -- Licenses -- Rules.**

22 A licensed mortgage broker may apply to the director for authority to establish one or more branch offices under the same  
23 or different name as the main office upon the payment of a fee as prescribed by the director by rule. Provided that the  
24 applicant is in good standing with the department, as defined in rule by the director, the director shall promptly issue a  
25 duplicate license for each of the branch offices showing the location of the main office and the particular branch. Each  
duplicate license shall be prominently displayed in the office for which it is issued.

[1997 c 106 § 19; 1994 c 33 § 24; 1993 c 468 § 18.]

1 **WAC 208-660-010 Definitions.**

As used in this chapter, the following definitions apply, unless the context otherwise requires:

- 2 ...
- (29) "Mortgage broker" means any person that for compensation or gain, or in the expectation of compensation or gain:
- Makes a residential mortgage loan or assists a person in obtaining a residential mortgage loan; or
  - Holds himself or herself out as being able to do so.
- 3 ...

4 [Statutory Authority: RCW 18.44.410, 19.146.223, 19.146.225, 19.146.265, 31.04.165, 31.45.200. 01-12-029, § 208-660-010, filed 5/29/01, effective 7/1/01. Statutory Authority: RCW 43.320.010, 19.146.223. 01-01-044, § 208-660-010, filed 12/8/00, effective 1/8/01; 96-04-028, recodified as § 208-660-010, filed 2/1/96, effective 4/1/96. Statutory Authority: RCW 19.146.225. 95-13-091, § 50-60-010, filed 6/21/95, effective 7/22/95. Statutory Authority: 1993 c 468 § 9. 94-03-009, § 50-60-010, filed 1/7/94, effective 2/7/94.]

7 **WAC 208-660-060 Department's fees and assessments.**

(1) Upon completion of processing and reviewing an application for a license or branch office certificate, the department will prepare a billing, regardless of whether a license or certificate has been issued, calculated at the rate of \$35.98 per hour that each staff person devoted to processing and reviewing the application. The application deposit will be applied against this bill. Any amount left owing to the department will be billed to and paid promptly by the applicant, while any balance remaining from the deposit will be refunded promptly to the applicant.

10 (2) Upon completion of any examination of the books and records of a licensee, the department will furnish to the licensee a billing to cover the cost of the examination. The examination charge will be calculated at the rate of \$46.26 per hour that each staff person devoted to the examination. The examination billing will be paid by the licensee promptly upon receipt. Licensees that were issued licenses prior to March 21, 1994, have prepaid in their initial license fee the cost of the first compliance examination of the licensee conducted by the department during the first two years after the date of issuance of the license.

13 (3) Each licensee shall pay to the director an annual assessment of \$513.95 for each license, and \$513.95 for each branch office certificate. The annual assessment(s) will be due no later than the last business day of the month in which the anniversary date of the issuance of the broker's license occurs.

15 (4) Upon completion of any investigation of the books and records of a mortgage broker other than a licensee, the department will furnish to the broker a billing to cover the cost of the investigation. The investigation charge will be calculated at the rate of \$46.26 per hour that each staff person devoted to the investigation. The investigation billing will be paid by the mortgage broker promptly upon receipt.

17 [Statutory Authority: RCW 18.44.410, 19.146.223, 19.146.225, 19.146.265, 31.04.165, 31.45.200. 01-12-029, § 208-660-060, filed 5/29/01, effective 7/1/01; 96-04-028, recodified as § 208-660-060, filed 2/1/96, effective 4/1/96. Statutory Authority: RCW 19.146.225. 95-13-091, § 50-60-060, filed 6/21/95, effective 7/22/95; 94-23-033, § 50-60-060, filed 11/8/94, effective 12/9/94. Statutory Authority: 1993 c 468 § 9. 94-03-009, § 50-60-060, filed 1/7/94, effective 2/7/94.]

19 **WAC 208-660-061 Fee increase.**

The division intends to increase its fee and assessment rates each year for several bienniums. The division intends to initiate a rule making for this purpose each biennium. This rule provides for an automatic annual increase in the rate of fees and assessments each fiscal year during the 2001-03 biennium.

21 (1) On July 1, 2002, the fee and assessment rates under WAC 208-660-060, as increased in the prior fiscal year, will increase by a percentage rate equal to the fiscal growth factor for the then current fiscal year. As used in this section, "fiscal growth factor" has the same meaning as the term is defined in RCW 43.135.025.

23 (2) The director may round off a rate increase under subsection (1) of this section. However, no rate increase may exceed the applicable fiscal growth factor.

1 (3) By June 1 of each year, the director will make available a chart of the new rates that will take effect on the immediately  
following July 1.

2 [Statutory Authority: RCW 18.44.410, 19.146.223, 19.146.225, 19.146.265, 31.04.165, 31.45.200. 01-12-029, § 208-660-  
3 061, filed 5/29/01, effective 7/1/01.]

4 **WAC 208-660-165 Fines and penalties for violation of the Mortgage Broker Practices Act.**

5 Each mortgage broker and each of its principals, designated brokers, officers, employees, independent contractors, and  
agents shall comply with the applicable provisions of the Mortgage Broker Practices Act. Each violation of any applicable  
6 provision of the Mortgage Broker Practices Act, or of any order, directive, or requirement of the director may, at the  
discretion of the director, subject the violator to a fine of up to one hundred dollars for each offense. Each day's  
7 continuance of the violation is a separate and distinct offense. In addition, the director in his or her discretion may by order  
8 assess other penalties for a violation of the Mortgage Broker Practices Act.

9 [96-04-028, recodified as § 208-660-165, filed 2/1/96, effective 4/1/96. Statutory Authority: RCW 19.146.225. 95-13-091,  
10 § 50-60-165, filed 6/21/95, effective 7/22/95; 94-23-033, § 50-60-165, filed 11/8/94, effective 12/9/94.]