

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES

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RESPONDENT

SEP 11 2009

ENFORCEMENT UNIT  
DIVISION OF CONSUMER SERVICES  
DEPT OF FINANCIAL INSTITUTIONS

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

NO. C-07-316-09-CO01

NO. C-06-177-09-CO02

CONSENT ORDER

MARK S. KINDER d/b/a AMERICA FIRST  
MORTGAGE, and MARK S. KINDER  
individually,

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Mark S. Kinder d/b/a America First Mortgage and Mark S. Kinder (hereinafter Respondents Kinder), 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 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 Respondents, by and through their attorney John Long, have agreed upon a basis for resolution of the matters alleged in Amended Statement of Charges No. C-07-316-09-SC02 (Amended Statement of Charges), entered November 21, 2008, (copy attached hereto) and Amended Statement of Charges No. C-06-177-07-SC02, entered December 6, 2007, (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, Respondents hereby agree to the Department's entry of this Consent Order and further agree that the issues raised in the above-captioned matters may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve both Statement of Charges. Respondents are agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

CONSENT ORDER  
C-07-316-09-CO01  
C-06-177-09-CO02  
MARK S. KINDER d/b/a AMERICA FIRST  
MORTGAGE and MARK S. KINDER

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*[Handwritten signature]*  
9/1/09

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

1 Based upon the foregoing:

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

4 B. **Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a hearing  
5 before an administrative law judge, and that they hereby waive their right to a hearing and any and all  
6 administrative and judicial review of the issues raised in this matter, or of the resolution reached herein.

7 Accordingly, by their signatures below, Respondents withdraw their appeals in the above-captioned matter.

8 C. **Admissions/Stipulation to Facts.** It is AGREED that Respondents admit and stipulate to the facts  
9 outlined in Attachment A, which is incorporated by reference into this Consent Order.

10 D. **License Revocation.** It is AGREED that Respondent's mortgage broker license (number 19775) is  
11 revoked.

12 E. **Prohibition from Industry.** It is AGREED that Respondents are prohibited from participating in  
13 the conduct of the affairs of any escrow agent, mortgage broker, money transmitter, consumer lender, check casher  
14 or seller licensed by the Department or any person subject to licensure or regulation by the Department or any  
15 mortgage broker exempt from Washington law under RCW 19.146.020 for 30 years from the date of entry of this  
16 Consent Order in any capacity, including but not limited to: (1) any financial capacity whether active or passive or  
17 (2) as an officer, director, principal, designated broker, employee, or loan originator or (3) any management,  
18 control, oversight or maintenance of any trust account(s) in any way related to any residential mortgage  
19 transaction or (4) receiving, disbursing, managing or controlling in any way, consumer trust funds in any way  
20 related to any residential mortgage transaction.

21 F. **Application for License.** It is AGREED that Respondents shall not apply to the Department for any  
22 license under any name for a period of 30 years from the date of entry of this Consent Order. It is further  
23 AGREED that, should Respondents apply to the Department for any license under any name at any time later than  
24  
25

CONSENT ORDER  
C-07-316-09-CO01  
C-06-177-09-CO02  
MARK S. KINDER d/b/a AMERICA FIRST  
MORTGAGE and MARK S. KINDER

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

1 30 years from the date of entry of this Consent Order, Respondents shall be required to meet any and all  
2 application requirements in effect at that time.

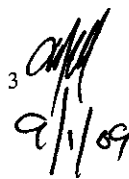
3 **G. Rights of Non-Parties.** It is AGREED that the Department does not represent or have the consent of  
4 any person or entity not a party to this Consent Order to take any action concerning their personal legal rights. It  
5 is further AGREED that for any person or entity not a party to this Consent Order, this Consent Order does not  
6 limit or create any private rights or remedies against Respondents, limit or create liability of Respondents, or limit  
7 or create defenses of Respondents to any claims.

8 **H. Declaration of Financial Condition and Confession of Judgment.** It is AGREED that Respondent  
9 Mark S. Kinder has filed for Chapter 13 bankruptcy under case number 08-45692 in the U.S. Bankruptcy Court  
10 in Tacoma, Washington. As part of the bankruptcy, Respondent Kinder has filed financial schedules with the  
11 court that the parties AGREE will be incorporated into this Consent Order by reference. Given the financial  
12 status of the Respondents and their representations to the Department, they are currently unable to pay the fine  
13 and investigation fee obligations agreed to in Paragraphs I and J of this Consent Order. It is further AGREED the  
14 Department has accepted a Confession of Judgment from Respondents for the fine and investigation fee  
15 obligations agreed to in Paragraphs I and J of this Consent Order. A copy of this Confession of Judgment is  
16 attached and incorporated into this Consent Order by this reference. Consistent with Chapter 4.60 of the Revised  
17 Code of Washington, the Department may immediately seek entry of the judgment. Respondents shall, upon the  
18 Department's request, fully and promptly cooperate with the Department in its efforts to get the judgment entered  
19 by the superior court.

20 **I. Confession of Judgment.** It is AGREED that Respondents have entered into a Confession of  
21 Judgment for a fine in the amount of \$150,000 owed to the Department and for an investigation fee in the amount  
22 of \$16,800 owed to the Department.

23 **J. Effect of Bankruptcy Filing: Confession of Judgment.** It is AGREED that the above-referenced  
24 Confession of Judgment filed by the Respondents, including the monetary obligations therein, shall survive any  
25

CONSENT ORDER  
C-07-316-09-CO01  
C-06-177-09-CO02  
MARK S. KINDER d/b/a AMERICA FIRST  
MORTGAGE and MARK S. KINDER

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9/1/09

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

1 action in bankruptcy filed by Respondents, or any bankruptcy proceeding in which the Respondents are a party,  
2 in the event such a proceeding is dismissed.

3 **K. Effect of Bankruptcy Filing: Non-Monetary Terms.** It is AGREED that the disposition of an  
4 action in bankruptcy filed by Respondents or any bankruptcy proceeding in which the Respondents are a party  
5 shall not affect the non-monetary terms of this Consent Order, including but not limited to, the license revocation  
6 described in paragraph D, the prohibition from the industry described in paragraph E, and the application for  
7 license described in paragraph F.

8 **L. Novation of Debt** It is AGREED that this Consent Order shall not constitute a novation of debt;  
9 any and all attributes of indebtedness separately denominated as such herein, including but not limited to  
10 "damages", "fines", "penalties" shall be enforceable under state or federal bankruptcy law.

11 **M. Authority to Execute Order.** It is AGREED that the undersigned Respondents have represented and  
12 warranted that they have the full power and right to execute this Consent Order on behalf of the parties  
13 represented.

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

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

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

22 **RESPONDENTS:**

23 Mark S. Kinder d/b/a America First Mortgage  
24 and Mark S. Kinder By:

25  
CONSENT ORDER  
C-07-316-09-CO01  
C-06-177-09-CO02  
MARK S. KINDER d/b/a AMERICA FIRST  
MORTGAGE and MARK S. KINDER

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*ad*  
*9/1/09*

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

1 Mark S. Kinder d/b/a America First Mortgage  
2 Sole Proprietor/Owner

9/1/09  
Date

3  
4 Mark S. Kinder  
Individually

9/1/09  
Date

5  
6 John Long, WSBA No. 15119  
Attorney at Law  
7 Attorney for Respondents

9-8-09  
Date

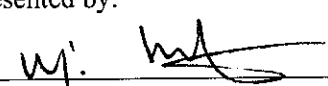
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9 THIS ORDER ENTERED THIS 14<sup>th</sup> DAY OF September, 2009.

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11 

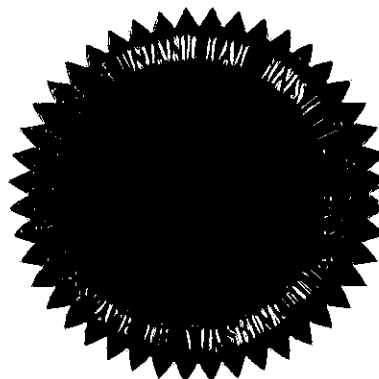
12 DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

13 Presented by:


14   
15 WILLIAM HALSTEAD  
Financial Legal Examiner

16 Approved by:

17   
18 JAMES R. BRUSSELBACK  
Enforcement Chief



19  
20  
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CONSENT ORDER  
C-07-316-09-CO01  
C-06-177-09-CO02  
MARK S. KINDER d/b/a AMERICA FIRST  
MORTGAGE and MARK S. KINDER

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9/1/09  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
Division of Consumer Services  
150 Israel Rd SW  
PO Box 41200  
Olympia, WA 98504-1200  
(360) 902-8703

ATTACHMENT A

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES

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

MARK S. KINDER d/b/a AMERICA  
FIRST MORTGAGE, and MARK S.  
KINDER individually,

Respondents.

NO. C-07-316-08-SC02

AGREED STATEMENT OF FACTS

**1.1 Respondent Mark S. Kinder d/b/a America First Mortgage (Respondent America First Mortgage) and Mark S. Kinder (Respondent Kinder)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on April 1996. Respondent Kinder was a sole proprietor and acted as the Designated Broker for Respondents. As the Designated Broker, Respondent Kinder had supervisory responsibilities for all activities of the mortgage broker during the relevant time period for each loan discussed herein. Respondent Kinder's license to conduct business as a mortgage broker was surrendered on or about September 30, 2007. Respondent Kinder was licensed by the Department of Licensing of the State of Washington to conduct the business of a real estate agent on April 8, 1994, and continues to be licensed to date.

AGREED STATEMENT OF FACTS

1

*ad*  
*9/1/09*

ATTORNEY GENERAL OF WASHINGTON  
1125 Washington Street SE  
PO Box 40100  
Olympia, WA 98504-0100  
(360) 664-9006

1 **1.2 Borrowers R.D.B.**

2 **A. 8111 Puyallup, WA Purchase.** In December 2004, Borrowers R.D.B. signed  
3 an application for a residential home loan for a property at 8111 in Puyallup, Washington.  
4 This loan was for the purchase of an owner-occupied single family residence. Borrowers  
5 R.D.B.'s credit was ordered by **Respondent America First Mortgage** on December 13, 2004,  
6 and the file communication log indicates escrow was opened and title was ordered on January  
7 4, 2005. The loan was taken by **Respondent America First Mortgage** and was a full  
8 document loan. Respondent Kinder did not sign and date the loan application. The file  
9 indicates the first time Borrowers R.D.B. received a Good Faith Estimate (GFE) and Truth In  
10 Lending Statement (TIL) from Respondent America First Mortgage was on February 2, 2005.  
11 The (GFE) and (TIL) indicate a preparation date of January 10, 2005. The GFE disclosed,  
12 among other costs, a broker fee of \$4,000 and a YSP of "up to 1 pt."  
13

14  
15 On February 28, 2005, Borrowers R.D.B. signed a final loan application, final GFE and  
16 final TIL. At the time they applied for this loan, Borrowers R.D.B. had monthly incomes of  
17 \$4,410 and \$4,410 each for a total income of \$8,820 a month. The final GFE disclosed, among  
18 other things, a \$4,000 broker fee and a different YSP of "up to 2 pt."

19 This loan closed on or about March 1, 2005, with Borrowers R.D.B. paying Respondent  
20 America First Mortgage a mortgage broker fee of \$5,900 (\$4,600 on 1<sup>st</sup> mortgage and \$1,300  
21 on 2<sup>nd</sup> mortgage), a processing fee of \$198, a packaging fee of \$100 and a YSP of \$7,359.20,  
22 for a total in fees of \$13,259.20.  
23

24 **B. 1107 Orting, WA Purchase.** On February 4, 2005, Borrowers R.D.B signed an  
25 application for a residential home loan for a property at 1107 in Orting, Washington. The loan  
26

1 application was taken by Respondent America First Mortgage and was a full document loan.  
2 Respondent Kinder did not sign and date the application. At the time they applied for this  
3 loan, Borrowers R.D.B. had monthly incomes of \$4,410 and \$4,410 each for a total income of  
4 \$8,820 a month. The file indicates that the borrowers RDB received from Respondent  
5 America First Mortgage an initial GFE and TIL on February 4, 2005. The GFE disclosed,  
6 among other costs, a broker fee of \$1,848 and a YSP of "up to 1 pts." The TIL did not to  
7 disclose whether or not a prepayment penalty was attached to the loan.  
8

9 On February 16, 2005, Respondent America First Mortgage provided Borrowers  
10 R.D.B. a second GFE and TIL. The second GFE disclosed a mortgage broker fee of \$1,848,  
11 and an increased YSP of "up to 1.50 pts." The second TIL did not disclose whether there  
12 would be a prepayment penalty attached to the loan.  
13

14 On February 18, 2005, Respondent America First Mortgage provided Borrowers  
15 R.D.B. a third GFE and TIL. The third GFE disclosed a mortgage broker fee of \$1,848, and  
16 the YSP remained at "up to 1.50 pts." The third TIL did not disclose whether there would be a  
17 prepayment penalty attached to the loan.  
18

19 This loan closed on or about February 24, 2005, with Borrowers R.D.B. paying  
20 Respondent America First Mortgage a mortgage broker fee of \$1,848, a processing fee of  
21 \$500, a packaging fee of \$100 and a YSP of \$2,772, for a total in fees of \$5,220. A 2-year  
22 prepayment penalty was attached to this loan that was not disclosed in the TIL.

23 **C. 2713 Puyallup, WA Purchase.** On or about March 22, 2005, Borrowers R.D.B  
24 signed an application for a residential home loan for a property at 2713 in Puyallup,  
25 Washington. The loan application was taken by Respondent America First Mortgage and was  
26

*am*  
9/1/09



1 a stated income loan. Respondent America First Mortgage requested Borrowers R.D.B.'s  
2 credit for this loan on March 17, 2005. Borrowers RDB signed an initial GFE and TIL on  
3 March 22, 2005. The initial GFE and TIL were prepared March 16, 2005. The GFE disclosed,  
4 among other costs, a broker fee of \$3,500 and a YSP of "up to .5 pt." Borrowers R.D.B.'s  
5 monthly incomes had increased to \$6,200 and \$5,000 for a total income of \$11,200 per month.  
6

7 This loan closed on April 26, 2005, with Borrowers R.D.B. paying Respondent  
8 America First Mortgage a mortgage broker fee of \$2,000, a processing fee of \$800, a  
9 packaging fee of \$200, and a YSP of \$768 for a total in fees of \$3,768.

10 **D. 11903 Graham, WA Purchase.** On September 1, 2005, Borrowers R.D.B.  
11 signed an application for a residential home loan for a property at 11903 in Graham,  
12 Washington. The loan application was taken by Respondent America First Mortgage and was  
13 a stated income loan. Respondent America First Mortgage requested Borrowers R.D.B.'s  
14 credit for this loan on July 6, 2005. Borrowers RDB signed an initial GFE and TIL on  
15 September 1, 2005. The initial GFE and TIL were prepared July 6, 2005.  
16

17 The GFE disclosed, among other costs, a broker fee of \$3,500. The TIL did not  
18 disclose whether there would be a prepayment penalty attached to the loan and if the rate was a  
19 variable rate. Borrowers R.D.B.'s monthly incomes as stated on the application increased to  
20 \$8,500 and \$7,400 for a total income of \$15,900 per month. These incomes are not consistent  
21 with the prior full document loans that Respondent America First Mortgage originated for  
22 Borrowers R.D.B.  
23

24 On September 19, 2005, Respondent America First Mortgage provided Borrowers  
25 R.D.B a revised GFE and TIL. The revised GFE and TIL were prepared on September 1,  
26

1 2005. The revised TIL did not disclose whether there would be a prepayment penalty attached  
2 to the loan and if the rate was a variable rate.

3 On September 22, 2005, Respondent America First Mortgage provided Borrowers  
4 R.D.B. a final application, final GFE and final TIL. The application clearly states the loan  
5 applied for is an adjustable rate mortgage (ARM). Borrowers R.D.B.'s incomes totaled  
6 \$15,900 on the loan application. Respondent Kinder did not sign or date the loan application.  
7 The final TIL did not disclose whether there would be a prepayment penalty and if the rate was  
8 a variable rate.  
9

10 This loan closed on September 23, 2005, with Borrowers R.D.B. paying Respondent  
11 America First Mortgage a mortgage broker fee of \$3,500, a processing fee of \$500, a  
12 packaging fee of \$100, for a total in fees of \$4,100. There was an undisclosed 3-year  
13 prepayment penalty attached to this loan.  
14

15 **E. 2703 Puyallup, WA Refinance.** On January 15, 2007, Borrowers R.D.B.  
16 signed a loan application to refinance a loan for property at 2703 in Puyallup, Washington.  
17 The loan application was taken by Respondent America First Mortgage and was a stated  
18 income loan. Respondent Kinder did not sign and date the loan application. A staff member of  
19 America First Mortgage signed for the application for him. . Borrowers R.D.B.'s income on  
20 this loan is listed at \$10,000 and \$6,500 for a total monthly income of \$16,500. These incomes  
21 are not consistent with the prior full document loans or the prior stated income loans that  
22 Respondent America First Mortgage originated for Borrowers R.D.B.  
23

1 This loan closed on March 7, 2007 with Borrowers R.D.B. paying Respondent America  
2 First Mortgage a processing fee of \$500, a packaging fee of \$100, and a YSP for \$7,260 for a  
3 total in fees of \$7,860.

4 **F. 8111 Puyallup, WA Refinance.** On January 15, 2007, Borrowers R.D.B.  
5 signed an application to refinance a loan for property at 8111 in Puyallup, Washington. The  
6 loan application was taken by Respondent America First Mortgage and was a stated income  
7 loan. Respondent Kinder did not sign and date the loan application. A staff member of  
8 America First Mortgage signed for him.

9  
10 This loan was applied for on the same day as the refinance loan for the property located  
11 at 2703 in Puyallup, WA. Borrowers R.D.B.'s income on this loan is listed at \$8,750 and  
12 \$7,500 for a total monthly income of \$16,250. These incomes are not consistent with the prior  
13 full document loans or the prior stated income loans that Respondent America First Mortgage  
14 originated for Borrowers R.D.B. These incomes are not consistent with the 2703 refinance  
15 loan that was applied for on the same day.

16  
17 This loan closed on February 13, 2007, with Borrowers R.D.B. paying Respondent  
18 America First Mortgage a processing fee of \$500, a packaging fee of \$100, and a YSP for  
19 \$10,800 for a total in fees of \$11,400.

20 **G. 1107 Orting Refinance.** On May 8, 2007, Borrowers R.D.B. signed an  
21 application to refinance a loan for investment property at 1107 in Orting, Washington. The  
22 loan application was taken by Respondent America First Mortgage and was a stated income  
23 loan. Respondent Kinder did not sign and date the loan application. A staff member of  
24 America First Mortgage signed for him. Respondent America First Mortgage requested  
25  
26

1 Borrowers R.D.B.'s credit for this loan on March 16, 2007. Borrowers RDB signed an initial  
2 GFE and TIL on March 2, 2007. The initial GFE and TIL indicate they were prepared on  
3 January 15, 2007.

4 The GFE disclosed, among other costs, a YSP of "3.75%." Borrowers R.D.B.'s  
5 monthly incomes as stated on the application was \$11,300 and \$8,000 for a total income of  
6 \$19,300 per month.  
7

8 This loan closed on May 11, 2007, with Borrowers R.D.B. paying Respondent America  
9 First Mortgage a processing fee of \$500, a packaging fee of \$100 and a YSP of \$9,084.38, for  
10 a total in fees of \$9,684.38.

11 **H. 665 Eatonville, WA Purchase.** On February 20, 2007, Borrowers R.D.B.  
12 signed an application for a residential home loan to purchase property at 665 Eatonville,  
13 Washington. The loan application was taken by loan originator Roy Kinder and was a stated  
14 income loan. Roy Kinder did not sign and date the loan application (Loan processor signed for  
15 him). Respondent America First Mortgage requested Borrowers R.D.B.'s credit for this loan on  
16 January 23, 2007.  
17

18 Borrowers RDB signed an initial GFE and TIL on February 20, 2007. The initial GFE  
19 and TIL indicate they were prepared January 15, 2007.  
20

21 The GFE disclosed, among other costs, a broker fee of \$1,985 and a YSP of "1.5."  
22 Borrowers R.D.B.'s monthly incomes on this loan application was \$10,000 and \$6,500 for a  
23 total income of \$16,500 per month.  
24  
25  
26

*af*  
*2/11/07*

1 This loan closed on March 6, 2007, with Borrowers R.D.B. paying Respondent  
2 America First Mortgage a mortgage broker fee of \$1,985, a processing fee of \$500, a  
3 packaging fee of \$100, for a total in fees of \$2,585.

4 **I. 665 Eatonville, WA Refinance.** On May 14, 2007, Borrowers R.D.B. signed  
5 an application for a residential home loan for a property at 665 Eatonville, Washington. The  
6 loan application was for a refinance, was taken by loan originator Roy Kinder, and was a stated  
7 income loan. Roy Kinder did not sign and date the loan application. A staff member of  
8 America First Mortgage signed for him. Respondent America First Mortgage requested  
9 Borrowers R.D.B.'s credit for this loan on May 10, 2007.

11 Borrowers RDB signed an initial GFE and TIL on May 14, 2007. The initial GFE and  
12 TIL indicate they were prepared February 10, 2007. The GFE disclosed, among other costs, a  
13 broker fee of \$1,500 and a YSP of "1." The TIL did not disclose if the rate was a variable rate.  
14 Borrowers R.D.B.'s monthly incomes as stated on the application was \$10,000 and \$6,500 for a  
15 total income of \$16,500 per month.

17 On May 22, 2007, Borrowers R.D.B. signed a revised loan application. On June 6,  
18 2007, Respondent America First Mortgage provided Borrowers R.D.B. a revised GFE and TIL.  
19 The revised GFE and TIL indicate they were prepared on February 10, 2007. The revised TIL  
20 did not disclose whether the rate was a variable rate. The revised GFE disclosed, among other  
21 costs, a broker fee of \$3,060 and does not mention a YSP.

23 This loan closed on June 14, 2007, with Borrowers R.D.B. paying Respondent America  
24 First Mortgage a mortgage broker fee of \$3,060, a processing fee of \$300, a packaging fee of  
25 \$100, and a YSP of \$510 for a total in fees of \$3,970.

26  
AGREED STATEMENT OF FACTS

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*ad*  
*9/1/09*

ATTORNEY GENERAL OF WASHINGTON  
1125 Washington Street SE  
PO Box 40100  
Olympia, WA 98504-0100  
(360) 664-9006

1 **1.3 Borrowers E.G.D.**

2 **A. 9123 Olympia 1<sup>st</sup> Refinance.** On February 24, 2005, Borrowers E.G.D. signed  
3 an application for a residential home loan to refinance their primary residence located at 9123  
4 in Olympia, Washington. The loan application was taken by Respondent America First  
5 Mortgage and was a full document loan. The application states Borrowers E.D.G.'s income is  
6 \$7,600 per month. This refinance loan closed on March 28, 2005.  
7

8 **B. 9123 Olympia 2nd Refinance.** On June 29, 2006, Borrowers E.G.D. applied  
9 with Respondent America First Mortgage a second time to refinance their primary residence  
10 located at 9123 in Olympia, Washington. The loan application was taken by Respondent  
11 America First Mortgage. The application is for a stated income loan. The income for  
12 Borrowers E.G.D. shows an increase from \$7,600 in March of 2005 to \$10,400 per month.  
13

14 On August 29, 2006, Borrowers E.G.D. sign a revised loan application. The revised  
15 application states Borrowers E.D.G. monthly income is \$13,700. This loan closed on  
16 September 7, 2006.

17 **C. 5018 Tacoma Purchase.** On August 29, 2006, Borrowers E.G.D. signed an  
18 application for a residential home loan to purchase property at 5018 in Tacoma, Washington.  
19 This loan application was submitted prior to the refinance loan for property 9123 closed on  
20 September 7, 2006. The loan application was taken by loan originator Victor Berdecia and  
21 was a stated income loan. The application for the purchase of this property was signed on  
22 August 29, 2006, the same day the revised loan application for the 9123 Tacoma property was  
23 signed. While the revised 9123 application indicates Borrowers E.G.D.'s monthly income as  
24  
25  
26

1 \$13,700, the application for 5018 indicates monthly income of \$12,200. Loan originator  
2 Victor Berdecia did not sign and date the revised application.

3 This loan closed on October 11, 2006. Prior to this loan closing, Borrowers E.G.D. applied  
4 for another loan to purchase an investment property (10010 Buckley, WA) that was not  
5 disclosed on this loan application (see D).  
6

7 **D. 10010 Buckley Purchase.** On September 18, 2006, with the loan application  
8 for property 5018 Tacoma, WA still pending, Borrowers E.G.D. signed a loan application for  
9 another residential mortgage loan for the purpose of purchasing an investment property at  
10 10010 in Buckley, Washington. The loan application was taken by loan originator Victor  
11 Berdecia and was a stated income loan. Respondent America First Mortgage requested  
12 Borrowers E.D.G.s' credit on August 29, 2006, and a Purchase and Sale Agreement for the  
13 10010 property was signed on September 9, 2006. A GFE and TIL were signed by Borrowers  
14 E.D.G. on September 18, 2006, but both documents indicate they were prepared on August 29,  
15 2006.  
16

17 The application lists Borrowers E.D.G.'s monthly income as \$11,091. Victor Berdecia  
18 did not sign and date the loan application. A staff member of America First Mortgage signed  
19 for him.. In addition, this loan application did not list the 5018 property that was in the process  
20 of being purchased but not yet closed.  
21

22 This loan closed on October 19, 2006, with Borrowers E.D.G. paying Respondent  
23 America First Mortgage a mortgage broker fee of \$4,500, a processing fee of \$800, an  
24 administration fee of \$200, and a YSP of \$1,751.25 for a total in fees of \$7,251.25.

25 **1.4 Borrowers J.D.T.**  
26

*ad*  
*2/1/09*

1       **A.     10170 Tacoma Refinance.** On May 27, 2005, Borrowers J.D.T. signed an  
2 application for a residential mortgage loan for the purpose of refinancing their primary  
3 residence located at 10170 in Tacoma, Washington. The loan application was taken by  
4 Respondent America First Mortgage and was a full document loan. The application indicates  
5 Borrowers J.D.T.'s income is \$6,258 per month. Respondent Kinder did not sign and date the  
6 application. A staff member of America First Mortgage signed for him. Respondent America  
7 First Mortgage requested Borrowers J.D.T.'s credit on May 26, 2005.

9       Respondent America First Mortgage provided a GFE and TIL to Borrowers J.D.T. on  
10 May 27, 2005; the GFE and TIL indicate they were prepared on January 4, 2005. The GFE  
11 discloses, among other things, a mortgage broker fee of \$2,500, a processing fee of \$500, a  
12 packaging fee of \$100 and a YSP "UP TO 2 PTS."

13       On June 21, 2005, Respondent America First Mortgage provided a revised GFE and  
14 TIL to Borrowers J.D.T. The revised GFE indicates it was prepared on January 4, 2005, and  
15 discloses a mortgage broker fee of \$2,500, an \$800 processing fee, a packaging fee of \$200  
16 and a YSP of "UP TO 2 PTS."

17       On June 22, 2005, Respondent America First Mortgage provided a final GFE and TIL  
18 Borrowers J.D.T. The final GFE and TIL indicate they were prepared on January 4, 2005. The  
19 final GFE is the same as the revised GFE from June 21, 2005 except the YSP disclosed went  
20 down to "UP TO 1 PTS."

21       This loan closed on June 28, 2005, with Borrowers J.D.T paying Respondent America  
22 First Mortgage a mortgage broker fee of \$2,500, a processing fee of \$800, a broker/packaging  
23 fee of \$200, and a YSP of \$1,720.02 for a total in fees of \$5,220.02.



1        **B.     10170 Tacoma 2<sup>nd</sup> Refinance.** On January 18, 2006, Borrowers J.D.T. signed  
2 an application for a residential mortgage loan for the purpose of refinancing their primary  
3 residence located at 10170 in Tacoma, Washington. The loan application was taken by  
4 Respondent America First Mortgage and was a full document loan. The application indicates  
5 Borrowers J.D.T.'s income is \$6,258 per month. Respondent America First Mortgage  
6 requested Borrowers J.D.T.'s credit on January 18, 2006. Respondent America First Mortgage  
7 provided the GFE and TIL to Borrowers J.D.T. on January 18, 2006; the GFE and TIL indicate  
8 they were prepared on January 4, 2005. The GFE discloses, among other things, a mortgage  
9 broker fee of \$2,400, a processing fee of \$300, a packaging fee of \$100 and a YSP "up to 1  
10 points."  
11

12                This loan closed on March 7, 2006, with Borrowers J.D.T. paying Respondent America  
13 First Mortgage a mortgage broker fee of \$2,400, a processing fee of \$500, a packaging fee of  
14 \$100, and a YSP of \$2,400 for a total in fees of \$5,400.  
15

16        **C.     23103 Graham Construction Loan.** On or about May 31, 2006, Borrowers  
17 J.D.T. signed an application for a construction loan through Respondent America First  
18 Mortgage for the purposes of building a home at 23103 in Graham, Washington. The loan  
19 application was taken by Respondent America First Mortgage and was a stated income loan.  
20 The income for Borrowers J.D.T. listed in the application dated May 31, 2006, is \$9,500 per  
21 month.  
22

23                On August 29, 2006, Staff of Respondent Kinder submitted a final loan application to  
24 the lender in which Borrowers J.D.T.'s income was stated as \$10,000 per month.

25 **Borrowers M.K.M.**  
26

1       **A.     18537 Puyallup Purchase.** On February 8, 2006, Borrowers M.K.M. signed an  
2 application for a residential mortgage loan for the purpose of purchasing an investment  
3 property located at 18537 in Puyallup, Washington. The loan application was taken by  
4 Respondent America First Mortgage and was a full document loan. The application indicates  
5 Borrowers M.K.M.'s income is \$8,630 per month. Respondent Kinder did not sign and date  
6 the loan application. A staff member of America First Mortgage signed for him.  
7

8               Respondent America First Mortgage requested Borrowers M.K.M.'s credit on February  
9 8, 2006. Respondent America First Mortgage provided the GFE and TIL to Borrowers J.D.T.  
10 on February 8, 2006. The GFE discloses, among other things, a mortgage broker fee of  
11 \$6,490.25, a processing fee of \$500, a packaging fee of \$100 and a YSP of "up to 1 pt."  
12

13               This loan closed on March 6, 2006, with Borrowers M.K.M. paying Respondent  
14 America First Mortgage a mortgage broker fee of \$6,490.26, a processing fee of \$500, a  
15 packaging fee of \$100, and a YSP of \$3,966.27 for a total in fees of \$11,056.53.

16       **B.     2302 Tacoma Purchase.** On May 14, 2006, Borrowers M.K.M. signed an  
17 application for a residential mortgage loan for the purpose of purchasing an investment  
18 property located at 2302 in Tacoma, Washington. The loan application was taken by  
19 Respondent America First Mortgage and was a full document loan. The application indicates  
20 Borrowers M.K.M.'s income is \$8,894 per month. Respondent Kinder did not sign and date  
21 the loan application. A staff member of America First Mortgage signed for him.  
22

23               Respondent America First Mortgage requested Borrowers M.K.M.'s credit on May 11,  
24 2006. Respondent America First Mortgage provided the GFE and TIL to Borrowers J.D.T. on  
25 May 14, 2006. The GFE and TIL indicate they were prepared on May 11, 2006. The GFE  
26

1 discloses, among other things, a mortgage broker fee of \$5,000, a processing fee of \$500, a  
2 packaging fee of \$100 and a YSP of "up to 2.5 pts."

3 On May 24, 2006, and on May 31, 2006, Respondent America First Mortgage provided  
4 another GFE and TIL to Borrowers M.K.M. The revised GFEs indicate they were prepared on  
5 May 11, 2006, and disclose similar terms as the May 14, 2006, GFE including the YSP as "up  
6 to 2.5 pts."  
7

8 The application for this loan submitted by Respondent America First Mortgage to the  
9 lender did not list the 4424 Seattle or the 8034 Olympia properties that were being  
10 simultaneously purchased (and closed on June 13, 2006, and June 1, 2006, respectively) by  
11 Borrowers M.K.M.

12 This loan closed on June 1, 2006, with Borrowers M.K.M. paying Respondent America  
13 First Mortgage a mortgage broker fee of \$5,000, a processing fee of \$500, a packaging fee of  
14 \$100, and a YSP of \$5,388.08 for a total in fees of \$10,988.08.  
15

16 **C. 4424 Seattle Purchase.** On May 14, 2006, Borrowers M.K.M. signed an  
17 application for a residential mortgage loan for the purpose of purchasing an investment  
18 property located at 4424 in Seattle, Washington. The loan application was taken by  
19 Respondent America First Mortgage and was a full document loan. The application indicates  
20 Borrowers M.K.M.'s income is \$8,630 per month. Respondent Kinder did not sign and date  
21 the loan application. A staff member of America First Mortgage signed for him.  
22

23 Respondent America First Mortgage requested Borrowers M.K.M.'s credit on May 11,  
24 2006. Respondent America First Mortgage provided the GFE and TIL to Borrowers M.K.M.  
25 on May 14, 2006. The GFE and TIL indicate they were prepared on May 11, 2006. The GFE  
26

1 discloses, among other things, a mortgage broker fee of \$8,000, a processing fee of \$500, a  
2 packaging fee of \$100 and a YSP of "up to 1.12500 pts."

3 On June 6, 2006, Respondent America First Mortgage provided a revised GFE to  
4 Borrowers M.K.M. The revised GFE indicates it was prepared on May 11, 2006, and discloses  
5 similar terms as the May 14, 2006, GFE including the YSP as "up to 1.25pts."

6 The application for this loan submitted by Respondent America First Mortgage to the  
7 lender did not list the 2302 Tacoma or the 8034 Olympia properties that were being  
8 simultaneously purchased (and closed on June 5, 2006 and June 1, 2006, respectively) by  
9 Borrowers M.K.M.  
10

11 This loan closed on June 1, 2006, with Borrowers M.K.M. paying Respondent America  
12 First mortgage a mortgage broker fee of \$8,000, a processing fee of \$500, a packaging fee of  
13 \$100, and a YSP of \$3,200 for a total in fees of \$11,800.  
14

15 **D. 8034 Olympia Purchase.** On May 14, 2006, Borrowers M.K.M. signed an  
16 application for a residential mortgage loan for the purpose of purchasing an investment  
17 property located at 8034 in Olympia, Washington. The loan application was taken by  
18 Respondent America First Mortgage and was a full document loan. The application indicates  
19 Borrowers M.K.M.'s income is \$8,630 per month. Respondent Kinder did not sign and date  
20 the loan application. A staff member of America First Mortgage signed for him.  
21

22 Respondent America First Mortgage requested Borrowers M.K.M.'s credit on May 11,  
23 2006. Respondent America First Mortgage provided the GFE and TIL to Borrowers M.K.M.  
24 on May 14, 2006. The GFE and TIL indicate they were prepared on May 11, 2006. The GFE  
25  
26

1 discloses, among other things, a mortgage broker fee of \$2,500, a processing fee of \$500, a  
2 packaging fee of \$100 and a YSP of "up to 2.5 pts."

3 On May 21, 2006, Respondent America First Mortgage provided a revised GFE to  
4 Borrowers M.K.M. The revised GFE indicates it was prepared on May 11, 2006, and discloses  
5 similar terms as the May 14, 2006, GFE except the YSP increased to "up to 3.075 pts."

6 The application for this loan submitted by Respondent America First Mortgage to the  
7 lender did not list the 2302 Tacoma or the 4424 Seattle properties that were being  
8 simultaneously purchased (and closed on June 5, 2006 and June 13, 2006, respectively) by  
9 Borrowers M.K.M.  
10

11 This loan closed on June 1, 2006, with Borrowers M.K.M. paying Respondent America  
12 First Mortgage a mortgage broker fee of \$2,500, a processing fee of \$500, a packaging fee of  
13 \$100, and a YSP of \$5,904 for a total in fees of \$9,004.  
14

15 **E. 2024 Olympia Refinance.** On or about May 20, 2007, Borrowers M.K.M.  
16 applied for a residential mortgage loan for the purpose of refinancing their primary residence  
17 located at 2024 in Olympia, Washington. The loan application was taken by Respondent  
18 America First Mortgage and was a stated income loan. Respondent Kinder did not sign and  
19 date the loan application. A staff member of America First Mortgage signed for him  
20

21 The application indicates Borrowers M.K.M.'s income is \$11,100 per month.

22 Respondent America First Mortgage requested Borrowers M.K.M.'s credit on March  
23 14, 2007. Respondent America First Mortgage provided the GFE and TIL to Borrowers  
24 M.K.M. on April 25, 2007. The GFE and TIL indicate they were prepared on March 15, 2007.  
25  
26

1 The GFE discloses, among other things, a mortgage broker fee of \$2,000, a processing fee of  
2 \$500, a packaging fee of \$100 and a YSP of "up to 1."

3 On May 11, 2007, Respondent America First Mortgage provided a revised GFE to  
4 Borrowers M.K.M. The revised GFE indicates it was prepared on March 15, 2007, and  
5 discloses similar terms as the May 14, 2006, GFE, except the YSP has changed to "up to .375."

6 This loan closed on May 16, 2007, with Borrowers M.K.M. paying Respondent  
7 America First Mortgage a mortgage broker fee of \$2,000, a processing fee of \$500, a  
8 packaging fee of \$100, and a YSP of \$369.60 for a total in fees of \$2,969.60.

9  
10 **F. 4424 Seattle Refinance.** On April 25, 2007, Borrowers M.K.M. signed an  
11 application for a residential mortgage loan for the purpose of refinancing an investment  
12 property at 4424 in Seattle, Washington. The loan application was taken by Respondent  
13 America First Mortgage and was a stated income loan. Respondent Kinder did not sign and  
14 date the loan application. ( A staff member of America First Mortgage signed for him).  
15 Respondent America First Mortgage requested Borrowers M.K.M.'s credit on March 14, 2007.  
16 A GFE and TIL were signed by Borrowers M.K.M on April 25, 2007. Both documents  
17 indicate they were prepared on March 15, 2007.

18  
19 The GFE discloses, among other things, a mortgage broker fee of \$4,935, a processing  
20 fee of \$500, a packaging fee of \$100 and a YSP of "up to 1.25 pts." Respondent America First  
21 Mortgage provided additional GFEs on July 18, 2007 and July 26, 2007, which disclose similar  
22 terms as the April 25, 2007, GFE, except the YSP increased to "up to 1.5pts."  
23  
24  
25  
26

1 This loan closed on July 30, 2007, with Borrowers M.K.M. paying Respondent  
2 America First Mortgage a mortgage broker fee of \$5,400, a processing fee of \$500, a  
3 packaging fee of \$200, and a YSP of \$5,400 for a total in fees of \$11,400.

4 **1.5 Borrower J.B.**

5 **A. 4513 Tacoma Refinance.** On August 28, 2006, Borrower J.B. signed an  
6 application for a residential mortgage loan for the purpose of refinancing a property at 4513 in  
7 Tacoma, Washington. The loan application was taken by Respondent America First Mortgage.  
8 The loan was a full document loan. Respondent Kinder did not sign or date the loan  
9 application. A staff member of America First Mortgage signed for him. Respondent America  
10 First Mortgage requested Borrower J.B.'s credit on August 23, 2006.

11 Respondent America First Mortgage provided a GFE and TIL to Borrower J.B. on  
12 September 21, 2006. The GFE disclosed, among other things, a mortgage broker fee of \$4,160  
13 and a YSP of "up to 3.95%."

14 This loan closed on September 28, 2006, with Borrower J.B. paying Respondent  
15 America First Mortgage a mortgage broker fee of \$1,584, a processing fee of \$500, a  
16 packaging fee of \$100, and a YSP of \$8,216 for a total in fees of \$10,400.

17 **B. 2120 Tacoma Purchase.** On April 18, 2007, Borrower J.B. signed an  
18 application for a residential mortgage loan for the purpose of purchasing a property at 2120 in  
19 Tacoma, Washington. The loan application was initially taken by a loan originator working for  
20 Respondent Kinder. The loan was a stated income loan. Respondent America First Mortgage  
21 requested Borrower J.B.'s credit on April 17, 2007.

22 A GFE and TIL were signed by Borrower J.B. on April 18, 2007.  
23  
24  
25  
26

1 The GFE disclosed, among other things, a mortgage broker fee of \$17,500 and a YSP  
2 "of up to 3.75%." Respondent America First Mortgage provided a second and third GFE to  
3 Borrower J.B. which generally disclosed the same terms as the first GFE.

4 Respondent America First Mortgage represented this loan to the lender as an owner-  
5 occupied residence despite the purchase being for investment purposes. Respondent America  
6 First Mortgage listed, in this loan application, Borrower J.B.'s primary residence at 4513 in  
7 Tacoma as a rental.

9 Respondent America First Mortgage reported the monthly income of Borrower J.B.'s  
10 on the loan application as \$10,418.

11 This loan closed on May 15, 2007, with Borrower J.B. paying Respondent America  
12 First Mortgage a mortgage broker fee of \$17,500, a processing fee of \$500, a packaging fee of  
13 \$100, and a YSP of \$14,688 for a total in fees of \$32,788.

14  
15 **1.6 Borrowers R.V.B.**

16 **A. 11020 Puyallup Refinance.** On June 22, 2006, Borrowers R.V.B. signed an  
17 application for a residential mortgage loan for the purpose of refinancing their primary  
18 residence at 11020 in Puyallup, Washington. The loan application was taken by Respondent  
19 America First Mortgage and was a full document loan. The application states Borrowers  
20 R.V.B.'s income is \$6,100 per month. Respondent Kinder did not sign and date the loan  
21 application. (A staff member of America First Mortgage signed for him. Respondent America  
22 First Mortgage requested Borrowers R.V.B.'s credit on March 20, 2006 and on June 20, 2006.  
23 A GFE and TIL were signed by Borrowers R.V.B. on June 22, 2006. Both documents indicate  
24 they were prepared on June 19, 2006.  
25  
26



1 The GFE discloses, among other things, a mortgage broker fee of \$3,000, a processing  
2 fee of \$500, and a YSP of "up to 2.625 POINTS."

3 This loan closed on July 12, 2006, with Borrowers R.V.B. paying Respondent America  
4 First Mortgage a mortgage broker fee of \$3,000, a processing fee of \$500, a packaging fee of  
5 \$100, and a YSP of \$5,040 for a total in fees of \$8,640.  
6

7 **B. 2502 Spanaway Purchase.** On June 22, 2006, the same day Borrowers R.V.B.  
8 signed an application to refinance their 11020 Puyallup residence, they applied for a stated  
9 income loan with Respondent America First Mortgage to purchase a primary residence at 2502  
10 in Spanaway Washington. Respondent America First Mortgage submitted these loans  
11 simultaneously as primary residence loans.  
12

13 The application for this loan is signed by Tamara Heiter a staff member of Respondent  
14 America First Mortgage.

15 The application indicates Borrowers R.V.B.'s income is \$17,042 per month.

16 Respondent America First Mortgage requested Borrowers R.V.B.'s credit on March 20,  
17 2006 and again on June 22, 2006. A GFE and TIL were signed by Borrowers R.V.B. on June  
18 22, 2006. Both documents indicate they were prepared on June 19, 2006.

19 The GFE discloses, among other things, a mortgage broker fee of \$14,950, a processing  
20 fee of \$500, a packaging fee of \$100, and a YSP of "up to .875 pts."  
21

22 This loan closed on July 26, 2006, with Borrowers R.V.B. paying Respondent America  
23 First Mortgage a mortgage broker fee of \$18,390, a processing fee of \$800, and a packaging  
24 fee of \$200 for a total in fees of \$19,390. After the loan closed, Respondent Kinder provided  
25  
26

1 monthly checks in the amount of \$1,300 to Borrowers R.V.B. to assist them in making their  
2 mortgage payment until they refinanced in December 2006 (see below).

3       **C.     2502 Spanaway Refinance.** On December 5, 2006, Borrowers R.V.B. applied  
4 to refinance their 2502 Spanaway residence with Respondent America First Mortgage. The  
5 application for this loan is signed by Tamara Heiter a staff member of Respondent America  
6 First Mortgage.  
7

8       The application indicates Borrowers R.V.B.'s income is \$17,042 per month.

9       Respondent America First Mortgage requested Borrowers R.V.B.'s credit on December  
10 5, 2006 and on December 28, 2006. A GFE and TIL were signed by Borrowers R.V.B. on  
11 December 5, 2006. Both documents indicate they were prepared on December 4, 2006.

12       The GFE discloses, among other things, a mortgage broker fee of \$0, a processing fee  
13 of \$500, a packaging fee of \$100, and no YSP.  
14

15       This loan closed on January 26, 2007, with Borrowers R.V.B. paying Respondent  
16 America First Mortgage a mortgage broker fee of \$100, a processing fee of \$500, an  
17 administrative fee of \$300, an application fee of \$100, and a YSP of \$15,300 for a total in fees  
18 of \$16,300.

19       **1.9     Borrowers R.S.K.**

20       **A.     7918 Puyallup Refinance.** On January 16, 2006, Borrowers R.S.K. signed an  
21 application for a residential mortgage loan for the purpose of refinancing their primary  
22 residence at 7918 in Puyallup, Washington. The loan application was a full document loan.  
23 The application states Borrowers R.S.K.'s income is roughly \$7,400 per month. Respondent  
24 Kinder did not sign and date the loan application. (A staff member of America First Mortgage  
25  
26

1 signed for him. Respondent America First Mortgage requested Borrowers R.S.K.'s credit on  
2 January 11, 2006. A GFE and TIL were signed by Borrowers R.S.K. on January 16, 2006.  
3 Both documents indicate they were prepared on January 11, 2006.

4       **B.     6925 Tacoma Purchase.** On May 4, 2007, Borrower R.K. (one of the R.S.K.  
5 borrowers) signed an application for a residential mortgage loan for the purpose of purchasing  
6 an investment property at 6925 in Tacoma, Washington. The loan application was taken by  
7 loan originator Andrew Gray and was a stated income loan. Andrew Gray did not sign and  
8 date the loan application.  
9

10       Borrower R.K.'s employer is listed in the loan application as being Cash Flow  
11 Alternatives with a monthly salary of \$13,500 per month. Borrower R.K. is Respondent  
12 Kinder's brother and was working for American First Mortgage when this loan application was  
13 taken. Borrower R.K. claims to have had no knowledge the loan application contained these  
14 errors.  
15

16       Respondent America First Mortgage requested Borrower R.K.'s credit on March 22,  
17 2007, and a Purchase and Sale Agreement (PSA) had been entered into between Borrower  
18 R.K. and the seller of the 6925 Tacoma, WA property on February 22, 2007. The Purchase  
19 and Sales Agreement indicates the "selling licensee" was Mark Kinder.. A GFE and TIL were  
20 signed by Borrower R.K. on April 4, 2007. Both documents indicate they were prepared on  
21 April 3, 2007.  
22

23       The GFE discloses, among other things, a mortgage broker fee of \$6,100, a processing  
24 fee of \$500, a packaging fee of \$100 and a YSP of "up to 2.5 pts." Respondent America First  
25  
26

1 Mortgage provided a final GFE and TIL to Borrower R.K. on May 5, 2007, which disclose  
2 similar terms as the April 4, 2007, GFE, except the YSP increased to "up to 3.75pts."

3 This loan closed on May 7, 2007, with Borrower R.K. paying Respondent America  
4 First Mortgage a mortgage broker fee of \$6,100, a processing fee of \$500, a packaging fee of  
5 \$100, and a YSP of \$11,998.13 for a total in fees of \$18,698.13.  
6

7 **1.10 Borrowers S.D.V.**

8 **A. 15907 Puyallup Refinance.** On July 14, 2005, Borrowers S.D.V. signed an  
9 application for a residential mortgage loan for the purpose of refinancing their primary  
10 residence at 15907 in Puyallup, Washington. The loan application was taken by Respondent  
11 America First Mortgage and was a full document loan. Respondent Kinder did not sign and  
12 date the loan application, Tamara Heiter signed the application. The Respondent America First  
13 Mortgage requested Borrowers S.D.V.'s credit on July 6, 2005.  
14

15 Respondent America First Mortgage provided Borrowers S.D.V. with a GFE and a TIL  
16 on July 14, 2005. Both documents indicate they were prepared on July 12, 2005.

17 The GFE provided to Borrowers S.D.V. indicated no fees would be charged by  
18 Respondent Kinder for originating the loan. There is no record of other disclosures being  
19 provided to Borrowers S.D.V. by Respondent America First Mortgage. The HUD1 indicates  
20 Borrowers S.D.V. (loan closed August 3, 2005) were charged a \$3,700 mortgage broker fee, a  
21 \$800 processing fee, a \$200 application fee and a \$2,080 YSP for a total in fees paid to  
22 Respondent America First Mortgage of \$6,780.  
23

24 **B. 9415 Graham Purchase.** On January 24, 2006, Borrowers S.D.V. signed an  
25 application for a residential mortgage loan for the purpose of purchasing a new primary  
26

1 residence at 9415 in Graham, Washington. The loan application was taken by Respondent  
2 America First Mortgage and was a full document loan. Respondent Kinder did not sign and  
3 date the loan application, Tamara Heiter signed the application. Respondent America First  
4 Mortgage requested Borrowers S.D.V.'s credit on January 16, 2006. Borrowers S.D.V. had  
5 entered into a Purchase and Sales Agreement to buy this home on December 6, 2005.  
6

7 Respondent America First Mortgage provided Borrowers S.D.V. with a GFE and a TIL  
8 on January 24, 2006. Both documents indicate they were prepared on January 10, 2006.

9 The GFE provided to Borrowers S.D.V. disclosed, among other things, a mortgage  
10 broker fee of \$5,000, a processing fee of \$500, a packaging fee of \$100, and a YSP of "up to  
11 lpts."

12 At the time this loan application was taken by Respondent America First Mortgage,  
13 Borrowers S.D.V. had submitted two additional loan applications for the purchase of two  
14 additional homes. Those home purchases (7231 Puyallup and 11520 Tacoma – listed below)  
15 were not included in this application when it was submitted to the lender for approval. Each of  
16 these loans were submitted to different lenders simultaneously.  
17

18 This loan closed on February 3, 2006, with Borrowers S.D.V. paying Respondent  
19 America First Mortgage a mortgage broker fee of \$5,000, and a processing fee of \$500, for a  
20 total in fees of \$5,500.  
21

22 **C. 7231 Puyallup Purchase.** On January 24, 2006, Borrowers S.D.V. signed an  
23 application for a residential mortgage loan for the purpose of purchasing an investment  
24 property at 7231 in Puyallup, Washington. The loan application was taken by Respondent  
25 America First Mortgage and was a full document loan. Respondent Kinder did not sign and  
26

1 date the loan application, Tamara Heiter signed the application. Respondent America First  
2 Mortgage requested Borrowers S.D.V.'s credit on January 16, 2006. Borrowers S.D.V. had  
3 entered into a Purchase and Sales Agreement to buy this home on December 23, 2005.

4 Respondent America First Mortgage provided Borrowers S.D.V. with a GFE and a TIL  
5 on January 24, 2006. Both documents indicate they were prepared on January 10, 2006.

6 The GFE provided to Borrowers S.D.V. disclosed, among other things, a mortgage  
7 broker fee of \$3,500, a processing fee of \$500, a packaging fee of \$100 and a yield spread  
8 premium of "up to 1pts."

9  
10 At the time this loan application was taken by staff of Respondent America First  
11 Mortgage, Borrowers S.D.V. had submitted two additional loan applications to Respondent  
12 America First Mortgage for the purchase of two additional homes. Those home purchases  
13 (9415 Graham and 11520 Tacoma – included herein) were not included in this application  
14 when it was submitted to the lender for approval. Each of these loans was submitted to  
15 different lenders simultaneously.

16  
17 This loan closed on February 7, 2006, four days after the 9415 Graham loan, with  
18 Borrowers S.D.V. paying Respondent America First Mortgage a mortgage broker fee of  
19 \$3,500, a processing fee of \$800, and a yield spread premium of \$1,728.53 for a total in fees of  
20 \$6,028.53.

21  
22 **D. 11520 Tacoma Purchase.** On January 24, 2006, Borrowers S.D.V. signed an  
23 application for a residential mortgage loan for the purpose of purchasing an investment  
24 property at 11520 in Tacoma, Washington. The loan application was a full document loan.  
25 Respondent Kinder did not sign and date the loan application. Respondent America First  
26

1 Mortgage requested Borrowers S.D.V.'s credit was pulled on January 16, 2006. Borrowers  
2 S.D.V. had entered into a Purchase and Sales Agreement to buy this home on December 22,  
3 2005.

4 Respondent America First Mortgage provided Borrowers S.D.V. with a GFE and a TIL  
5 on January 24, 2006. Both documents indicate they were prepared on January 10, 2006.  
6

7 The GFE provided to Borrowers S.D.V. disclosed, among other things, a mortgage  
8 broker fee of \$3,500, a processing fee of \$500, a packaging fee of \$100 and a yield spread  
9 premium of "up to 1 pts."

10 Borrowers S.D.V. submitted a second loan application for the 11520 Tacoma property  
11 to Staff of Respondent America First Mortgage on February 9, 2006. The loan application was  
12 a full document loan. Respondent Kinder did not sign and date the loan application.  
13

14 Respondent America First Mortgage provided Borrowers S.D.V. with another GFE and  
15 a TIL on February 10, 2006. Both documents indicate they were prepared on January 10,  
16 2006. The GFE provided to Borrowers S.D.V. disclosed, among other things, a mortgage  
17 broker fee of \$3,500, a processing fee of \$500, a packaging fee of \$100 and a yield spread  
18 premium of "up to .625 pts."

19 At the time this loan application was taken by Staff of Respondent America First  
20 Mortgage, Borrowers S.D.V. had submitted two additional loan applications to Respondent  
21 America First Mortgage for the purchase of two additional homes. Those home purchases  
22 (9415 Graham and 7231 Puyallup – included herein) were not included in this application  
23 when it was submitted to the lender for approval. Each of these loans were submitted to  
24 different lenders simultaneously.  
25  
26

1 This loan closed on February 21, 2006, with Borrowers S.D.V. paying Respondent  
2 Kinder a mortgage broker fee of \$3,500, a processing fee of \$500, a packaging fee of \$129 and  
3 a yield spread premium of \$1,113.50 for a total in fees of \$5,243.34.

4 **E. 15907 Puyallup 2<sup>nd</sup> Mortgage.** On February 15, 2006, Borrowers S.D.V.  
5 signed an application for a residential mortgage loan (2<sup>nd</sup> mortgage) for their rental property at  
6 15907 in Puyallup, Washington. The loan application was taken by Respondent America First  
7 Mortgage and was a full document loan. Respondent Kinder did not sign and date the loan  
8 application, Tamara Heiter signed the application. The application stated the loan was for the  
9 purpose of refinancing a primary residence.  
10

11 At the time this loan application was taken by Respondent America First Mortgage,  
12 Borrowers S.D.V. owned a total of four properties. The other three properties were excluded  
13 from this application.  
14

15 Respondent America First Mortgage provided Borrowers S.D.V. with a GFE and a TIL  
16 on February 15, 2006. Both documents indicate they were prepared on June 14, 2005. The  
17 GFE provided to Borrowers S.D.V. disclosed, among other things, a mortgage broker fee of  
18 \$2,000 and a processing fee of \$300. No yield spread premium (YSP) was included in the  
19 GFE.  
20

21 The HUD1 indicates Borrowers S.D.V. (loan closed March 21, 2006) were charged a  
22 \$2,200 mortgage broker fee, a \$300 processing fee, a \$920 yield spread premium for a total in  
23 fees paid to Respondent America First Mortgage of \$3,420. In addition, the second mortgage  
24 contained a 3-year prepayment penalty.

25 **1.11 Borrowers C.W. and A.S.**  
26



1           **A.     18602 Puyallup Refinance.** On February 12, 2005, Borrower C.W. signed an  
2 application for a residential mortgage loan for the purpose of refinancing his primary residence  
3 at 18602 in Puyallup, Washington. The loan application was taken by Respondent America  
4 First Mortgage and was a full document loan. Borrower C.W.'s income is listed in the  
5 application as \$3,604 per month working for Costco. Respondent Kinder did not sign and date  
6 the loan application. Respondent America First Mortgage requested Borrower C.W.'s credit on  
7 February 12, 2005.  
8

9           Respondent America First Mortgage provided Borrower C.W. with a GFE and a TIL on  
10 February 12, 2005. The GFE provided to Borrower C.W. disclosed, among other things, a  
11 mortgage broker fee of \$2,500, a processing fee of \$500, a packaging fee of \$100 and a yield  
12 spread premium of "1%."

13           This loan closed on March 15, 2005, with Borrower C.W. paying Respondent America  
14 First Mortgage a mortgage broker fee of \$2,508, a processing fee of \$500, a packaging fee of  
15 \$100 and a yield spread premium of \$1,710 for a total in fees of \$4,818.  
16

17           **B.     18208 Puyallup Purchase.** On April 13, 2005, Borrower C.W. and his fiancé  
18 A.S. signed an application for a residential mortgage loan for the purpose of purchasing their  
19 primary residence at 18208 in Puyallup, Washington. Borrower C.W.'s income is listed in the  
20 application as \$4,357 per month working for Costco. The loan application was taken by  
21 Respondent America First Mortgage and was a full document loan. Respondent Kinder did not  
22 sign and date the loan application.  
23

24           Respondent America First Mortgage provided Borrowers C.W and A.S a GFE and TIL  
25 on April 13, 2005. The GFE provided to Borrowers C.S. and A.S disclosed, among other  
26

1 things, a mortgage broker fee of \$3,000, a processing fee of \$500, a packaging fee of \$100 and  
2 a yield spread premium of "up to 2pts."

3 This loan closed on April 29, 2005, with Borrowers C.W. and A.S. paying Respondent  
4 America First Mortgage a mortgage broker fee of \$3,640, and a yield spread premium of  
5 \$5,410.26 for a total in fees of \$9,050.26.  
6

7 **C. 7904 Bonney Lake Purchase.** On August 5, 2005, Borrower C.W. signed an  
8 application for a residential mortgage loan for the purpose of purchasing an investment  
9 property at 7904 in Bonney Lake, Washington. The loan application was taken by Respondent  
10 America First Mortgage and was a stated income loan. Respondent Kinder did not sign and  
11 date the loan application. Respondent America First Mortgage requested Borrower C.W.'s  
12 credit on August 4, 2005. Borrower C.W. had entered into a Purchase and Sales Agreement to  
13 buy this home on July 27, 2005. Respondent Kinder was the real estate agent representing  
14 Borrower C.W. with this purchase.  
15

16 The application indicates Borrowers C.W.'s income is \$7,800 per month.

17 This loan closed on August 25, 2005, with Borrower C.W. paying Respondent America  
18 First Mortgage a mortgage broker fee of \$2,000, a processing fee of \$1,000 for a total in fees  
19 of \$3,000.  
20

21 **D. 10700 Tacoma Purchase.** On September 8, 2005, Borrower C.W. signed an  
22 application for a residential mortgage loan for the purpose of purchasing an investment  
23 property at 10700 in Tacoma, Washington. The loan application was taken by Respondent  
24 America First Mortgage and was a stated income loan. There is no income figure listed in the  
25 application for Borrower C.W. Respondent Kinder did not sign and date the loan application.  
26

1 Respondent America First Mortgage requested Borrowers S.D.V.'s credit on August 4, 2005.  
2 Borrower C.W. had entered into a Purchase and Sales Agreement to buy this home on July 22,  
3 2005. Respondent Kinder was the real estate agent representing Borrower C.W.

4 On November 14, 2005, Borrower C.W. submitted a second loan application for the  
5 10700 Tacoma, WA property to Respondent America First Mortgage. This application was  
6 taken by Victor Berdecia, but he did not sign and date the application. This application states  
7 Borrower C.W. is working for Cash Flow Alternatives Inc. making \$12,000 per month.  
8 Borrower C.W. was working for Respondent America First Mortgage when the second  
9 application was submitted to the lender. Respondent America First Mortgage provided  
10 Borrower C.W. with a GFE and a TIL on September 8, 2005.  
11

12 This loan closed on November 18, 2005, with Borrower C.W. paying Respondent  
13 America First Mortgage a mortgage broker fee of \$3,423.20, a processing fee of \$800 and a  
14 packaging fee of \$100 for a total in fees of \$4,423.20.  
15

16 **E. 18724 Puyallup Purchase.** On October 6, 2005, Borrowers A.S. (Borrower  
17 C.W.'s fiancé) signed an application for a residential mortgage loan for the purpose of  
18 purchasing an investment property at 18724 in Puyallup, Washington. The loan application  
19 was taken by the staff of Respondent America First Mortgage. Respondent America First  
20 Mortgage requested Borrower A.S.'s credit on September 26, 2005. Borrower A.S. had  
21 entered into a Purchase and Sales Agreement to buy this home on September 25, 2006.  
22 Respondent Kinder was the real estate agent representing Borrower A.S. Respondent America  
23 First Mortgage provided Borrower A.S. with a GFE and a TIL on October 6, 2005.  
24  
25  
26

1 Respondent America First Mortgage omitted the 18208 Puyallup property loan  
2 (addressed above) from the application.

3 This loan closed on November 17, 2005 with Borrower A.S. paying Respondent  
4 America First Mortgage a mortgage broker fee of \$3,000, a processing fee of \$800 and a  
5 packaging fee of \$200 for a total in fees of \$4,000.  
6

7 **1.12 Borrower R.N.**

8 **A. 38216 Auburn Refinance.** On December 12, 2005, Borrower R.N. signed an  
9 application for a residential mortgage loan (a first and a second) for the purpose of refinancing  
10 his primary residence at 38216 in Auburn, Washington. The loan applications were taken by  
11 Respondent America First Mortgage and were to be full document loans, but the first mortgage  
12 loan was later changed to a stated income loan. Respondent Kinder did not sign and date the  
13 second mortgage loan application. Respondent America First Mortgage requested Borrower  
14 R.N.'s credit on December 12, 2005.  
15

16 The first mortgage loan application taken by Respondent Kinder initially states  
17 Borrower R.N. has a monthly income of \$5,300. This amount is consistent with what  
18 Borrower R.N. was making when he applied for the loan. However, a subsequent first  
19 mortgage loan application indicates Borrower R.N. makes \$7,100 per month.  
20

21 The second mortgage loan application taken by Respondent America First Mortgage  
22 indicates Borrower R.N. made \$6,900 per month in income.

23 Respondent America First Mortgage provided Borrower R.N. with a GFE and a TIL on  
24 December 12, 2005. The initial GFE disclosed, among other things, a mortgage broker fee or  
25 \$2,400, a processing fee of \$500, a packaging fee of \$100 and a YSP of "up to 2 pts."  
26

1 Respondent America First Mortgage provided Borrower R.N. with another GFE and a  
2 TIL on January 17, 2006. Both documents indicate they were prepared on December 12, 2005.  
3 The GFE provided to Borrower R.N. disclosed, among other things, a mortgage broker fee of  
4 \$2,480, a processing fee of \$500, a packaging fee of \$100 and a yield spread premium of "up  
5 to 2.25 pts."

6  
7 This first mortgage loan closed on January 30, 2006, with Borrower R.N. paying  
8 Respondent America First Mortgage a mortgage broker fee of \$2,480, a processing fee of  
9 \$500, a packaging fee of \$100 and a yield spread premium of \$4,960 for a total in fees of  
10 \$8,040. The second mortgage loan closed on February 15, 2006, with Borrower R.N. paying  
11 Respondent America First Mortgage a total in fees of \$400.

12 **B. 405 Buckley Purchase.** On May 2, 2007, Borrower R.N. signed an application  
13 for a residential mortgage loan for the purpose of purchasing his primary residence at 405 in  
14 Buckley, Washington. The loan application was taken by Respondent America First Mortgage  
15 and was to be a stated income loan. Respondent Kinder did not sign and date the mortgage  
16 loan application. Respondent America First Mortgage requested Borrower R.N.'s credit on  
17 April 25, 2007.

18  
19 The loan application taken by Respondent America First Mortgage states Borrower  
20 R.N. had a monthly income of \$9,155.

21  
22 Respondent America First Mortgage provided Borrower R.N. with a GFE and a TIL on  
23 May 2, 2007. Both documents indicate they were prepared on April 25, 2007.

24 The May 2, 2007, GFE disclosed, among other things, a mortgage broker fee or \$1,000,  
25 a processing fee of \$500, a packaging fee of \$100 and a YSP of "up to 2.5 pts."

1 Respondent America First Mortgage provided Borrower R.N. with another GFE and a  
2 TIL on June 12, 2007 (two days before the loan closed). Both documents indicate they were  
3 prepared on April 25, 2007. The new GFE provided to Borrower R.N. disclosed, among other  
4 things, a mortgage broker fee of \$1,000, a processing fee of \$500, a packaging fee of \$100 and  
5 a yield spread premium of "up to 3.375 pts."

6  
7 The 405 Buckley home had a sales price of \$304,950. Borrower R.N. did not have  
8 enough cash to make up the difference, so prior to closing, Respondent Kinder loaned  
9 Borrower R.N. \$15,248 to bring to closing. Respondent Kinder secured his loan of \$15,248,  
10 with an interest in the 38216 Auburn home. This loan closed on June 14, 2007, with Borrower  
11 R.N. paying Respondent America First Mortgage a mortgage broker fee of \$1,000, a  
12 processing fee of \$500, a packaging fee of \$100 and a yield spread premium of \$10,863.75 for  
13 a total in fees of \$12,463.75.

14  
15 **1.13 Borrower D.S.**

16 **A. 5745 Port Orchard Purchase.** On June 2, 2005, Borrower D.S. signed an  
17 application for a residential mortgage loan for the purpose of purchasing an investment  
18 property at 5745 in Port Orchard, Washington. The loan application was taken by Respondent  
19 America First Mortgage and was to be a stated income loan. Respondent Kinder did not sign  
20 and date the mortgage loan application. Respondent America First Mortgage requested  
21 Borrower D.S.'s credit on June 2, 2005. A Purchase and Sale Agreement had been entered  
22 between Borrower D.S. and the seller of the property on April 24, 2005, with Respondent  
23 Kinder acting as Borrower D.S.'s agent.  
24  
25  
26

1 The loan application taken by Respondent America First Mortgage states Borrower  
2 D.S. had a monthly income of \$12,000.

3 The loan application also indicates the purchase is for a primary residence.

4 The loan application lists Borrower D.S.'s employer as Advanced Diagnostics Services.

5 Respondent America First Mortgage provided Borrower D.S. with a GFE and a TIL on  
6 June 2, 2005. The June 2, 2005, GFE disclosed, among other things, a mortgage broker fee or  
7 \$3,500, a processing fee of \$800, a packaging fee of \$200 and a YSP of "up to 2 pts."  
8

9 Respondent America First Mortgage provided Borrower D.S. with a revised GFE and a  
10 TIL on June 22, 2005, five days before the loan closed. The revised GFE provided to  
11 Borrower D.S. disclosed, among other things, a mortgage broker fee of \$3,500, an increased  
12 processing fee of \$1,000, and a yield spread premium of "up to 2 pts."  
13

14 This loan closed on June 27, 2005, with Borrower D.S. paying Respondent America  
15 First Mortgage a mortgage broker fee of \$3,500, a packaging fee of \$1,000, and a yield spread  
16 premium of \$3,103 for a total in fees of \$7,603.

17 **B. 3501 Gig Harbor Refinances.**

18 i. **2005 Refinance.** On October 20, 2005, Borrower D.S. signed an  
19 application for a residential mortgage loan for the purpose of refinancing his primary residence  
20 at 3501 in Gig Harbor, Washington. The loan application was taken by Respondent America  
21 First Mortgage and was to be a stated income loan. Respondent Kinder did not sign and date  
22 the mortgage loan application.  
23

24 The loan application taken by Respondent America First Mortgage states Borrower  
25 D.S. had a monthly income of \$11,000.  
26

1 The loan application lists Borrower D.S.'s employer as Advanced Diagnostics Services.

2 This loan closed on December 2, 2005, with Borrower D.S. paying Respondent Kinder  
3 a processing fee of \$500, an application fee of \$100 for a total in fees of \$600.

4 ii. **2006 Refinance.** On April 14, 2006, Borrower D.S. again signed an  
5 application for a residential mortgage loan for the purpose of refinancing his primary residence  
6 at 3501 in Gig Harbor, Washington. The loan application was taken by Respondent America  
7 First Mortgage and was to be a stated income loan. Respondent Kinder did not sign and date  
8 the mortgage loan application.  
9

10 The loan application taken by Respondent America First Mortgage states Borrower  
11 D.S. had a monthly income of \$15,327.

12 The loan application lists Borrower D.S.'s employer as Advanced Diagnostics Services.

13 Respondent America First Mortgage provided Borrower D.S. with a GFE and a TIL on  
14 April 14, 2006. The April 14, 2006, GFE disclosed, among other things, a processing fee of  
15 \$300 and a packaging fee of \$100.  
16

17 This loan closed on or about May 16, 2006, with Borrower D.S. paying Respondent  
18 America First Mortgage a packaging fee of \$100, processing fee of \$300, and a previously  
19 undisclosed YSP of \$123.75 for a total in fees of \$523.75.  
20

#### 21 **1.14 Borrower B.P.**

22 A. **9408 Graham Refinance.** On June 15, 2005, Borrower B.P. signed an  
23 application for a residential mortgage loan for the purpose of refinancing his primary residence  
24 at 9408 in Graham, Washington. The loan application was taken by Respondent America First  
25  
26



1 Mortgage and was a full document loan. Respondent Kinder did not sign and date the  
2 mortgage loan application.

3 Respondent America First Mortgage provided Borrower B.P. with a GFE and a TIL on  
4 June 15, 2005. The GFE disclosed, among other things, a mortgage broker fee of \$8,280, a  
5 processing fee of \$500 and a packaging fee of \$100.

6  
7 A second GFE was generated on August 14, 2005. This GFE disclosed, among other  
8 things, a mortgage broker fee of \$12,116.40, a processing fee of \$800, a packaging fee of \$200  
9 and a YSP of "up to 2 pts." This GFE was generated two days prior to the loan closing.

10 This loan closed on August 16, 2006, with Borrower B.P. paying Respondent America  
11 First Mortgage a mortgage broker fee of \$12,116.40, a processing fee of \$800, a packaging fee  
12 of \$200, and a YSP of \$5,520 for a total in fees of \$18,636.40.

13  
14 **B. 8324 Puyallup Purchase.** On July 26, 2005, Borrower B.P. signed an  
15 application for a residential mortgage loan for the purpose of purchasing an investment  
16 property at 8324 in Puyallup, Washington. The loan application was taken by Respondent  
17 America First Mortgage and was a full document loan. Respondent Kinder did not sign and  
18 date the mortgage loan application.

19 The staff of Respondent America First Mortgage presented this loan to the lender as an  
20 owner-occupied home. This loan was applied for while the refinance of Borrower B.P.'s  
21 primary residence (9408 Graham – outlined above) was being refinanced. Respondent  
22 America First Mortgage Respondent Kinder listed the 9408 Graham residence as a rental  
23 property on the 8324 Puyallup loan application.  
24  
25  
26

1 Respondent America First Mortgage provided Borrower B.P. a GFE on July 29, 2005,  
2 that indicated a YSP "of up to 1 points" would be paid from the lender to Respondent America  
3 First Mortgage .

4 This loan closed on August 3, 2006, with Borrower B.P. paying Respondent America  
5 First Mortgage a mortgage broker fee of \$3,200, a processing fee of \$500, a packaging fee of  
6 \$100, and a YSP of \$2,176 for a total in fees of \$5,976.

7  
8 **C. 21 Group Investment** Borrower B.P. entered into an agreement with  
9 Respondent Kinder to work at America First Mortgage as a loan originator in late 2005.  
10 Borrower B.P. worked for Respondent America First Mortgage for less than 6 months.

11 Borrower B.P. refinanced his primary residence to obtain the \$30,000 which he  
12 provided to Respondent Kinder to invest in the 21 Group.

13  
14 **1.15 Borrower K.E.** On March 29, 2006, Borrower K.E signed an application for a  
15 residential mortgage loan for the purpose of purchasing a primary residence at 31818 in  
16 Auburn, Washington. The loan application was taken by a loan originator B.P. working for  
17 Respondent America First Mortgage. The loan closed on April 27, 2006. Prior to the loan  
18 documents being signed, the lender required proof that Borrower K.E. had cash reserves of  
19 \$4,000. Borrower K.E. did not have \$4,000 in cash for reserves. The loan originator working  
20 for Respondent America First Mortgage provided \$3,000 to Borrower K.E. on April 26, 2006.

21  
22 **1.16 Borrower G.P.**

23 **A. March 2005, 29222 Graham Refinance.** On March 3, 2005, Borrower G.P.  
24 signed an application for a residential mortgage loan for the purpose of refinancing an  
25 investment property (a construction loan) at 9408 in Graham, Washington. The loan  
26

1 application was taken by Respondent America First Mortgage and was a stated income loan.  
2 Respondent Kinder did not sign and date the mortgage loan application. Respondent America  
3 First Mortgage presented this loan to the lender as an owner-occupied home.

4 Respondent America First Mortgage provided Borrower G.P. with a GFE and a TIL on  
5 March 3, 2005. The GFE disclosed, among other things, a mortgage broker fee of \$3,300, a  
6 processing fee of \$500, a packaging fee of \$100, and a YSP of "up to 1 pts."

7  
8 This loan closed on March 16, 2005, with Borrower G.P. paying Respondent America  
9 First Mortgage a mortgage broker fee of \$3,300, a processing fee of \$500, a packaging fee of  
10 \$100, and a YSP of \$3,085 for a total in fees of \$6,985.

11 **B. December 2005, 29222 Graham Refinance.** On October 28, 2005, Borrower  
12 G.P. signed an application for a residential mortgage loan for the purpose of refinancing the  
13 29222 Graham, WA property. The loan application was taken by Respondent America First  
14 Mortgage and was a stated income loan. Respondent Kinder did not sign and date the  
15 mortgage loan application. Respondent America First Mortgage presented this loan to the  
16 lender as an owner-occupied home. The application for this loan indicated that Borrower  
17 G.P.'s employer was GEP Services and that his monthly income was \$21,325.

18  
19 **C. January 2006, 2<sup>nd</sup> Mortgage on 29222 Graham Residence.** On January 5,  
20 2006, Borrower G.P. signed an application for a 2<sup>nd</sup> mortgage on the 29222 Graham, WA  
21 property. The loan application was taken by Respondent America First Mortgage and was a  
22 stated income loan. Respondent Kinder did not sign and date the mortgage loan application.  
23

24 Respondent America First Mortgage presented this loan to the lender as an owner-  
25 occupied home. The application for this loan indicated that Borrower G.P.'s employer was  
26

1 GEP Services and that his monthly income was \$21,325.**D. 21 Group Investment** Borrower  
2 G.P. entered into an agreement with Respondent Kinder to work at American First Mortgage as  
3 a loan originator in late 2005. Borrower G.P. worked for Respondent America First Mortgage  
4 for less than 6 months.

5  
6 Borrower G.P. refinanced his 29222 investment property in March of 2005 (outlined  
7 above) to obtain the \$30,000 which he provided to Respondent Kinder in order to participate  
8 in the 21 Group.

9 **1.17 Borrowers A.D.D. 29228 Kent Purchase.** On June 19, 2006, Borrowers A.D.D.  
10 signed an application for a residential mortgage loan for the purpose of refinancing their  
11 primary residence at 29228 in Kent, Washington. The loan application was initially taken by a  
12 loan originator working for AFM, but was later handled by Respondent America First  
13 Mortgage when the loan originator left AFM. The loan was a stated income loan. Respondent  
14 Kinder did not sign and date the final loan application.

15  
16 Staff of Respondent America First Mortgage provided Borrowers A.D.D. with a GFE  
17 and a TIL on June 19, 2006. The GFE disclosed, among other things, a mortgage broker fee of  
18 \$6,000, a processing fee of \$500, a packaging fee of \$100 and a YSP of "up to 3 pts."

19  
20 Respondent America First Mortgage submitted this loan to the lender stating Borrowers  
21 A.D.D.'s income was \$14,500 per month. Borrowers A.D.D. initially filled out an application  
22 on June 19, 2006, with a correctly stated income of \$10,000 per month.

23 This loan closed on August 16, 2006, with Borrowers A.D.D. paying Respondent  
24 America First Mortgage Kinder a mortgage broker fee of \$6,000, a processing fee of \$800, a  
25 packaging fee of \$100, and a YSP of \$8,250 for a total in fees of \$14,850.  
26

1 **1.18 Borrowers M.S.G.**

2       **A. 12848 Kirkland Refinance.** On September 11, 2006, Borrowers M.S.G. signed  
3 an application for a residential mortgage loan for the purpose of refinancing their primary  
4 residence at 12848 in Kent, Washington. The loan application was taken by Respondent  
5 America First Mortgage and was a full document loan. Respondent Kinder did not sign and  
6 date the loan application. Respondent America First Mortgage requested Borrowers M.S.G.'s  
7 credit on August 29, 2006. A GFE and TIL were signed by Borrowers M.S.G. on  
8 September 11, 2006. Both documents indicate they were prepared on August 28, 2006.

9  
10       The GFE disclosed, among other things, a mortgage broker fee of \$3,500, a processing  
11 fee of \$500, a packaging fee of \$100 and a YSP of "up to 3.95."

12       This loan closed on September 25, 2006, with Borrowers M.S.G. paying Respondent  
13 America First Mortgage a mortgage broker fee of \$3,500, a processing fee of \$500, a  
14 packaging fee of \$100, and a YSP of \$15,300 for a total in fees of \$19,400.

15  
16       **B. 12403 Puyallup Purchase.** On November 27, 2006, Borrowers M.S.G. signed  
17 an application for a residential mortgage loan for the purpose of purchasing an investment  
18 property at 12403 in Puyallup, Washington. The loan application was taken by Respondent  
19 America First Mortgage and was a stated income loan. Respondent Kinder did not sign and  
20 date the loan application. A GFE and TIL were signed by Borrowers M.S.G. on November 27,  
21 2006. Both documents indicate they were prepared on November 10, 2006.

22  
23       The GFE disclosed, among other things, a mortgage broker fee of \$5,700, a processing  
24 fee of \$500, a packaging fee of \$100 and a YSP of "up to 1.75 pts."

1 Respondent America First Mortgage submitted this loan to the lender as a stated  
2 income loan. Respondent America First Mortgage stated Borrowers M.S.G.'s monthly income  
3 on the loan application as \$13,300.

4 Respondent America First Mortgage did not disclose in his final application to the  
5 lender that Borrowers M.S.G. had applied for another loan on the same day, November 27,  
6 2006, for the purchase of another investment property at 3829 in Tacoma, WA. Respondent  
7 America First Mortgage submitted this loan to GreenPoint Mortgage while the 3829 property  
8 was submitted to Countrywide.  
9

10 This loan closed on December 12, 2006, with Borrowers M.S.G. paying Respondent  
11 America First Mortgage a mortgage broker fee of \$5,700, a processing fee of \$500, a  
12 packaging fee of \$100, and a YSP of \$5,173 for a total in fees of \$11,473.  
13

14 **C. 3829 Tacoma Purchase.** On November 27, 2006, Borrowers M.S.G. signed an  
15 application for a residential mortgage loan for the purpose of purchasing an investment  
16 property at 3829 in Tacoma, Washington. The loan application was taken by Respondent  
17 America First Mortgage and was a stated income loan. Respondent Kinder did not sign and  
18 date the loan application. A GFE and TIL were signed by Borrowers M.S.G. on November 27,  
19 2006.  
20

21 The GFE disclosed, among other things, a mortgage broker fee of \$7,339, a processing  
22 fee of \$500, a packaging fee of \$100 and a YSP of "up to 3.825 pts."

23 Respondent America First Mortgage submitted this loan to the lender as a stated loan.  
24 Respondent America First Mortgage stated Borrowers M.S.G.'s monthly income on the loan  
25 application as \$13,300.  
26

1 Respondent America First Mortgage did not disclose in his final application to the  
2 lender that Borrowers M.S.G. had recently purchased the 12403 Puyallup residence on  
3 December 12, 2006. In addition, Respondent America First Mortgage did not disclose that  
4 Borrowers M.S.G. had agreed to purchase another investment property at 17217 in Puyallup,  
5 WA.  
6

7 This loan closed on January 12, 2007, with Borrowers M.S.G. paying Respondent  
8 America First Mortgage a mortgage broker fee of \$7,339, a processing fee of \$500, a  
9 packaging fee of \$100, and a YSP of \$6,360.55 for a total in fees of \$14,299.55.

10 **D. 1201 Spanaway Purchase.** On or about December 21, 2006, Borrowers  
11 M.S.G. signed an application for a residential mortgage loan for the purpose of purchasing an  
12 investment property at 1201 in Spanaway, Washington. The loan application was taken by a  
13 loan originator working for Respondent America First Mortgage and was a stated income loan.  
14 A GFE and TIL were signed by Borrowers M.S.G. on December 21, 2006.  
15

16 The GFE disclosed, among other things, a mortgage broker fee of \$4,500, a processing  
17 fee of \$500, a packaging fee of \$100 and a YSP of "up to 2 points."

18 This loan was submitted to the lender as a stated loan. Borrowers M.S.G.'s monthly  
19 income on the loan application is stated as being \$13,300 per month.  
20

21 When the loan was submitted to the lender, the application did not disclose the 12403  
22 Puyallup and 3829 Tacoma properties that had recently been purchased by Borrowers M.S.G.

23 This loan closed on January 22, 2007, with Borrowers M.S.G. paying Respondent  
24 America First Mortgage a mortgage broker fee of \$4,500, a processing fee of \$500, a  
25 packaging fee of \$100, and a YSP of \$2,458.75 for a total in fees of \$7,558.75.  
26

1       **E.     17217 Puyallup Purchase.** On March 9, 2007, Borrowers M.S.G. signed an  
2 application for a residential mortgage loan for the purpose of purchasing an investment  
3 property at 17217 in Puyallup, Washington. The loan application was taken by a loan  
4 originator working for Respondent America First Mortgage and was a stated income loan. The  
5 loan originator did not sign and date the application. A GFE and TIL were signed by  
6 Borrowers M.S.G. on March 9, 2007. A Purchase and Sale Agreement between Borrowers  
7 M.S.G. and the sellers was entered into on February 21, 2007. The Purchase and Sales  
8 agreement indicates the "selling licensee" was Mark Kinder.  
9

10       The GFE disclosed, among other things, a mortgage broker fee of \$4,500, a processing  
11 fee of \$500, a packaging fee of \$100 and a YSP of "up to 1.625 points."  
12

13       This loan was submitted to the lender as a stated loan. Borrowers M.S.G.'s monthly  
14 income on the loan application is stated as being \$17,000 per month.

15       When the loan was submitted to the lender, Respondent America First Mortgage did  
16 not disclose the 15409 Puyallup property that had recently been purchase on March 8, 2007  
17 (the loan was pending when this loan closed).

18       This loan closed on March 23, 2007, with Borrowers M.S.G. paying Respondent  
19 America First Mortgage a mortgage broker fee of \$4,500, a processing fee of \$500, a  
20 packaging fee of \$100, and a YSP of \$3,222.38 for a total in fees of \$8,322.38.  
21

22       **F.     15409 Puyallup Purchase.** On March 17, 2007, Borrowers M.S.G. signed an  
23 application for a residential mortgage loan for the purpose of purchasing an investment  
24 property at 15409 in Puyallup, Washington. The loan application was taken by a loan  
25  
26



1 | originator working for Respondent America First Mortgage and was a stated income loan. A  
2 | GFE and TIL were signed by Borrowers M.S.G. on March 17, 2007.

3 |       The GFE disclosed, among other things, a mortgage broker fee of \$3,500, a processing  
4 | fee of \$500, a packaging fee of \$100 and a YSP of “up to 1.25 points.”

5 |       Respondent America First Mortgage provided a second GFE to Borrowers M.S.G. on  
6 | March 30, 2007. The new GFE discloses similar terms as the original GFE; however the YSP  
7 | changed to “up to 2.5 points.”

8 |       Borrowers M.S.G.’s income on this loan is listed as \$7,998 per month which is different  
9 | to the previous stated loans submitted by Respondent America First Mortgage on behalf of  
10 | Borrowers M.S.G. (see above).

11 |       The loan application submitted to the lender did not disclose the 17217 Puyallup  
12 | property that was purchased by Borrowers M.S.G on March 23, 2007.

13 |       This loan closed on April 6, 2007, with Borrowers M.S.G. paying Respondent America  
14 | First Mortgage a mortgage broker fee of \$3,500, a processing fee of \$500, a packaging fee of  
15 | \$100, and a YSP of \$7,650 for a total in fees of \$11,750.

16 | **1.19 Borrowers C.J.D.**

17 |       **A. 14703 Renton Refinance.** On October 11, 2006, Borrowers C.J.D. signed an  
18 | application for a residential mortgage loan for the purpose of refinancing their primary  
19 | residence at 14703 in Renton, Washington. The loan application was taken by Respondent  
20 | America First Mortgage and was a full document loan. Respondent Kinder did not sign and  
21 | date the loan application. Respondent America First Mortgage requested Borrower C.J.D.’s  
22 | credit on August 18, 2006.  
23 |  
24 |  
25 |  
26 |

1 Respondent America First Mortgage provided Borrowers C.J.D. with a GFE and a TIL  
2 on October 11, 2006. The initial GFE disclosed, among other things, a mortgage broker fee or  
3 \$5,400, a processing fee of \$500, a packaging fee of \$100.

4 Respondent America First Mortgage provided Borrowers C.J.D with another GFE and  
5 a TIL on October 30, 2006. Both documents indicate they were prepared on October 11, 2006.  
6 The GFE provided to Borrowers C.J.D disclosed, among other things, a mortgage broker fee of  
7 \$5,400, a processing fee of \$500, a packaging fee of \$100 and a yield spread premium of "up  
8 to 3.95."

9  
10 This loan closed on November 3, 2006, with Borrowers C.J.D paying Respondent  
11 America First Mortgage a mortgage broker fee of \$5,400, a processing fee of \$500, a  
12 packaging fee of \$100 and a yield spread premium of \$19,980 for a total in fees of \$25,980.

13  
14 **B. 4610 Spanaway Purchase.** On April 6, 2007, Borrowers C.J.D signed an  
15 application for a residential mortgage loan for the purpose of purchasing an investment  
16 property at 4610 in Spanaway, Washington. The loan application was taken by a loan  
17 originator working for Respondent America First Mortgage and was a stated income loan. The  
18 loan originator did not sign and date the loan application. Respondent America First Mortgage  
19 requested Borrowers C.J.D.'s credit on March 29, 2007. Borrowers C.J.D entered into a  
20 Purchase and Sale Agreement for the property on March 13, 2007. The Purchase and Sale  
21 Agreement indicates the "selling licensee" was Mark Kinder.  
22

23 Respondent America First Mortgage provided Borrowers C.J.D with a GFE and a TIL  
24 on April 6, 2007. Both documents indicate they were prepared on March 30, 2007. The GFE  
25  
26

1 provided to Borrowers C.J.D disclosed, among other things, a mortgage broker fee of \$7,000, a  
2 processing fee of \$500, a packaging fee of \$100 and a yield spread premium of “up to 2.5%.”

3       At the time this loan application was taken by a loan originator working for Respondent  
4 America First Mortgage, Borrowers C.J.D had submitted an additional loan application to  
5 Respondent America First Mortgage for the purchase of an additional investment property.  
6 The home purchased (19508 in Graham, WA – included herein) was not included in this  
7 application when it was submitted to the lender for approval. Respondent America First  
8 Mortgage submitted the two loans to different lenders simultaneously.  
9

10       This loan closed on April 23, 2007, with Borrowers C.J.D paying Respondent America  
11 First Mortgage a mortgage broker fee of \$7,000, a processing fee of \$500, a packaging fee of  
12 \$100 and a yield spread premium of \$8,312.50 for a total in fees of \$15,912.50.  
13

14       **C.     19508 Graham Purchase.** On April 6, 2007, Borrowers C.J.D. signed an  
15 application for a residential mortgage loan for the purpose of purchasing an investment  
16 property at 19508 in Graham, Washington. The loan application was taken by a loan  
17 originator working for Respondent America First Mortgage and was a stated income loan. The  
18 loan originator did not sign and date the loan application. Respondent America First Mortgage  
19 requested Borrowers C.J.D.’s credit on March 29, 2007. Borrowers C.J.D entered into a  
20 Purchase and Sale Agreement for the property on April 2, 2007. The Purchase and Sale  
21 Agreement indicates the “selling licensee” was Mark Kinder..  
22

23       Respondent America First Mortgage provided Borrowers C.J.D with a GFE and a TIL  
24 on April 6, 2007. Both documents indicate they were prepared on March 30, 2007.  
25  
26

1 The GFE provided to Borrowers C.J.D disclosed, among other things, a mortgage  
2 broker fee of \$5,652, a processing fee of \$500, a packaging fee of \$100 and a yield spread  
3 premium of “up to 2.5%.”

4 At the time this loan application was taken by Respondent America First Mortgage,  
5 Borrowers C.J.D had submitted an additional loan application to Respondent America First  
6 Mortgage, for the purchase of an additional investment property. The home purchased (4610  
7 in Spanaway, WA – see above) was not included in this application when it was submitted to  
8 the lender for approval. Respondent America First Mortgage submitted the two loans to  
9 different lenders simultaneously.

11 Respondent America First Mortgage provided Borrowers C.J.D. with a second GFE  
12 and TIL on May 5, 2007. The revised GFE disclosed, among other things, a mortgage broker  
13 fee of \$5,652, a processing fee of \$500, a packaging fee of \$100 and an increased yield spread  
14 premium of “up to 3.125%.”

16 This loan closed on May 11, 2007, with Borrowers C.J.D paying Respondent America  
17 First Mortgage a mortgage broker fee of \$5,652, a processing fee of \$500, a packaging fee of  
18 \$100 and a yield spread premium of \$8,831.25 for a total in fees of \$15,083.25.

19 **1.20 Borrowers G.D.K.<sup>1</sup>**

20 **A. 908 Bonney Lake Refinance.** On December 13, 2006, Borrowers G.D.K.  
21 signed an application for a residential mortgage loan for the purpose of refinancing their  
22 primary residence at 908 in Bonney Lake, Washington. The loan application was taken by  
23

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24  
25 <sup>1</sup> These borrower loans were not included in the Amended Statement of Charges as these loans were  
26 discovered after the Amended Statement of Charges was filed. These loans have been included to resolve  
Department of Financial Institution’s complaint no. 29873.

1 Respondent America First Mortgage and began as a full document loan, but was later changed  
2 to a stated income loan. Respondent Kinder did not sign and date the loan application.  
3 Respondent America First Mortgage requested Borrower G.D.K.'s credit on November 3,  
4 2006.

5  
6 Respondent America First Mortgage provided Borrowers G.D.K. with a GFE and a TIL  
7 on December 13, 2006. The initial GFE disclosed, among other things, a mortgage broker fee  
8 or \$7,360, a processing fee of \$500, and a packaging fee of \$100. The GFE disclosed a "Yield  
9 Spread Premium up to 3.875%."

10 Respondent America First Mortgage provided Borrowers G.D.K. with another GFE on  
11 January 11, 2007. The GFE indicates it was prepared on November 21, 2006. The GFE  
12 provided to Borrowers G.D.K. disclosed, among other things, a mortgage broker fee of \$7,360,  
13 a processing fee of \$500, a packaging fee of \$100 and a yield spread premium of "up to 3.5%."

14  
15 This loan closed on January 17, 2007, with Borrowers G.D.K. paying Respondent  
16 Kinder a mortgage broker fee of \$7,360, a processing fee of \$500, a packaging fee of \$100 and  
17 a yield spread premium of \$25,760, for a total in fees of \$33,720.

18 **B. 2734 Auburn Purchase.** On June 4, 2007, Borrowers G.D.K. signed an  
19 application for a residential mortgage loan for the purpose of purchasing an investment  
20 property at 2734 in Auburn, Washington. The loan application was taken by a loan originator  
21 working for Respondent Kinder and was a stated income loan. The loan originator did not sign  
22 and date the loan application. Respondent Kinder requested Borrowers G.D.K.'s credit on May  
23 29, 2007. Borrowers G.D.K. entered into a Purchase and Sale Agreement for the property on  
24  
25  
26

1 May 11, 2007. The Purchase and Sale Agreement indicates the “selling licensee” was Mark  
2 Kinder.

3 Respondent America First Mortgage provided Borrowers C.J.D with a GFE and a TIL  
4 on June 4, 2007. Both documents indicate they were prepared on November 21, 2006.

5 The GFE provided to Borrowers C.J.D disclosed, among other things, a mortgage  
6 broker fee of \$3,500, a processing fee of \$500, a packaging fee of \$100 and a yield spread  
7 premium of “up to 3.75%.”  
8

9 At the time this loan application was taken by a loan originator working for Respondent  
10 Kinder, Borrowers G.D.K. had submitted an additional loan application to Respondent  
11 America First Mortgage for the purchase of an additional investment property. The home  
12 purchased (4615 in Tacoma, WA – included herein) was not included in this application when  
13 it was submitted to the lender for approval. Respondent America First Mortgage submitted the  
14 two loans to different lenders simultaneously.  
15

16 This loan closed on June 14, 2007, with Borrowers G.D.K. paying Respondent Kinder a  
17 mortgage broker fee of \$3,500, a processing fee of \$500, a packaging fee of \$100 and a yield  
18 spread premium of \$4,533.75 for a total in fees of \$8,633.75.

19 **C. 4615 Tacoma Purchase.** On May 31, 2007, Borrowers G.D.K. signed an  
20 application for a residential mortgage loan for the purpose of purchasing an investment  
21 property at 4615 in Tacoma, Washington. The loan application was taken by a loan originator  
22 working for Respondent Kinder and was a stated income loan. The loan originator did not sign  
23 and date the loan application. Respondent America First Mortgage requested Borrowers  
24 G.D.K.’s credit on July 2, 2007. Borrowers G.D.K. entered into a Purchase and Sale  
25  
26

1 Agreement for the property on May 25, 2007. The Purchase and Sale Agreement indicates the  
2 "selling licensee" was Mark Kinder.

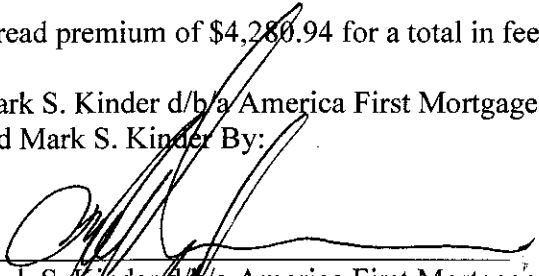
3 Respondent America First Mortgage provided Borrowers G.D.K. with a GFE and a TIL  
4 on May 31, 2007. Both documents indicate they were prepared on November 21, 2006.

5 The GFE provided to Borrowers G.D.K. disclosed, among other things, a mortgage  
6 broker fee of \$3,500, a processing fee of \$500, a packaging fee of \$100 and a yield spread  
7 premium of "up to 3.75%."

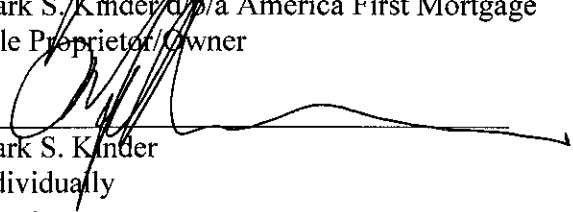
8 Respondent America First Mortgage provided Borrowers G.D.K. with a second GFE  
9 and TIL on July 11, 2007. The revised GFE disclosed, among other things, a mortgage broker  
10 fee of \$3,500, a processing fee of \$500, a packaging fee of \$100 and a yield spread premium of  
11 "up to 2.375%."

12 This loan closed on July 12, 2007, with Borrowers G.D.K. paying Respondent Kinder a  
13 mortgage broker fee of \$3,500, a processing fee of \$500, a packaging fee of \$100 and a yield  
14 spread premium of \$4,280.94 for a total in fees of \$8,380.94.

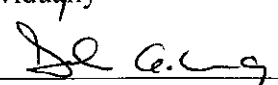
15 Mark S. Kinder d/b/a America First Mortgage  
16 and Mark S. Kinder By:

17   
18 Mark S. Kinder d/b/a America First Mortgage  
19 Sole Proprietor/Owner

9/1/09  
Date

20   
21 Mark S. Kinder  
22 Individually

9/1/09  
Date

23   
24 John Long, WSBA No. 15119  
25 Attorney at Law  
26 Attorney for Respondents

9/8/09  
Date

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

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

MARK S. KINDER d/b/a AMERICA FIRST  
MORTGAGE, and MARK S. KINDER  
individually,  
Respondents.

NO. C-07-316-08-SC02

AMENDED STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER AN  
ORDER TO REVOKE LICENSE, PROHIBIT  
FROM INDUSTRY, IMPOSE FINE, ORDER  
RESTITUTION 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)<sup>1</sup>. After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as of the date of this document, the Director, through his designee, Division of Consumer Services Director Deborah Bortner, issued Statement of Charges, Notice of Intention to Enter an Order to Revoke License, Prohibit from Industry, Impose Fine, Order Restitution, and Collect Investigation Fee C-07-316-08-SC01 (Statement of Charges SC01) on April 18, 2008. Respondents Mark S. Kinder d/b/a America First Mortgage and Mark S. Kinder were served with Statement of Charges SC01. Respondents filed requests for an adjudicative hearing.

Since the issuance of Statement of Charges SC01, information came to the attention of the Director that necessitated the amendment of Statement of Charges SC01. The changes relate to various dollar amounts, which at the time of the issuance of Statement of Charges SC01 were the best figures available. The dollar amounts included within this Amended Statement of Charges are based

<sup>1</sup> RCW 19.146 (1994), (2006)



1 upon information the Department obtained during its investigation since the issuance of SC01 and are  
2 the best figures the Department has at this time. The dollar amounts, however, again may change  
3 depending on discovery (which has not yet been completed), the testimony of the witnesses at hearing,  
4 or other sources the Department may discovery in the future. All of the dates mentioned in the  
5 Amended Statement of Charges, as they relate to the loan documents, should be construed as if they  
6 were predicated with "on or about" as many of the documents themselves contain inconsistencies.  
7 Based upon the facts available as of November 21, 2008, the Director now proceeds to amend  
8 Statement of Charges SC01 by issuing Amended Statement of Charges, Order to Revoke License,  
9 Prohibit from Industry, Impose Fine, Order Restitution, and Collect Investigation Fee C-07-316-08-  
10 SC02 (Amended Statement of Charges). The Director institutes this proceeding and finds as follows:  
11

## 12 I. FACTUAL ALLEGATIONS

13 **1.1 Respondent Mark S. Kinder d/b/a America First Mortgage and Mark S. Kinder**  
14 **(Respondent Kinder)** was licensed by the Department of Financial Institutions of the State of  
15 Washington (Department) to conduct business as a mortgage broker on August 1, 1996. Mark S.  
16 Kinder was a sole proprietor and acted as the Designated Broker for Respondents. Respondent  
17 Kinder's license to conduct business as a mortgage broker was surrendered on or about December 15,  
18 007<sup>1</sup>. Respondent Kinder was licensed by the Department of Licensing of the State of Washington to  
19 conduct the business of a real estate agent on April 8, 1994, and continues to be licensed to date.  
20

21 **1.2 General Allegations.** In or around 2005, Respondent Kinder found individuals who were  
22 interested in purchasing investment properties and get them to use him as a real estate agent and a  
23 mortgage broker. Once Respondent Kinder established a relationship with the individual he would  
24 present them with a plan to make significant sums of money buying, leasing, and selling real estate.

25 <sup>1</sup> Pursuant to RCW 19.146.210(5), a licensee may surrender a license by delivering to the director written notice of the  
surrender, but the surrender does not affect the licensee's civil or criminal liability or any administrative actions arising  
from acts or omissions occurring before such surrender.

1 Respondent Kinder convinced these individuals they should take equity from their current residence  
2 and use it to purchase investment properties. Respondent Kinder would find the properties and get the  
3 individuals to purchase the property so he would make the real estate commission. Respondent Kinder  
4 would also originate the loans for the individuals and collect mortgage broker fees that were rarely  
5 properly disclosed.

6 Respondent Kinder promised the individuals that he would find renters for their investment  
7 properties. Respondent Kinder failed to find renters on many occasions, and when he did find renters,  
8 many times they were not financially capable of making the rent payments leaving the borrowers  
9 having to pay the multiple mortgages. As a result, many of these borrowers have lost their homes,  
10 some are close to losing homes, and others are struggling to make their monthly mortgage payments.

11 Respondent Kinder also convinced individuals to invest in a real estate club called the 21  
12 Group. Each member who joined the group was to invest \$30,000 to facilitate the purchase, lease and  
13 eventual sale of investment properties. Respondent Kinder looked for individuals who had good credit  
14 scores so he could take out loans in their name as opposed to the 21 Group. This approach would  
15 allow Respondent Kinder to collect money from rental properties, while avoiding any risk since the  
16 loans were in the names of the individual investors. Respondent Kinder would collect the real estate  
17 commission and the mortgage broker fees for these transactions. Of those that invested in the group  
18 some have received nothing of value for the \$30,000 (or other consideration) they invested, and  
19 Respondent Kinder has refused to reimburse the money.  
20

21 Respondent Kinder got individuals to purchase multiple properties at the same time, not  
22 disclose all the properties on the loan applications, and then submit the loans to different lenders who  
23 had no way of knowing the borrower was purchasing other property simultaneously. The loans would  
24 typically close within a few weeks of each other so as to not appear on the borrower's credit report.  
25

1 Respondent Kinder would typically submit the loans as stated income loans (no or low document  
2 loans) and then inflate the income figures on the loan applications to insure the loans were approved  
3 by the lenders. Many of the loans were submitted as being owner occupied when in fact the properties  
4 were purchased for investment purposes. Most of this activity occurred without the knowledge of the  
5 borrowers.

6 Respondent Kinder obtained unfavorable loans for borrowers that typically contained option  
7 ARMs (Adjustable Rate Mortgages) as well as prepayment penalties. Respondent Kinder received  
8 higher fees than for fixed rate loans with no prepayment penalties.

9 Respondent Kinder would rarely explain to the borrowers the fees associated with the loans,  
10 and most borrowers had no idea they were being charged exorbitant fees. Many of the fees were not  
11 explained or disclosed until closing. On many occasions, borrowers would be given a quote for a  
12 certain rate and term which would ultimately change at the time of closing leaving the borrower  
13 feeling they had no choice but to sign the documents. When borrowers would complain to  
14 Respondent Kinder regarding the unexplained changes to the loan, he would tell them not to worry  
15 about it as he would refinance them to a fixed-rate mortgage when the prepayment penalty expired.  
16 Many borrowers were rushed through the document signing process and given little or no time to  
17 review the actual loan documents. Many of the borrowers are now paying much higher mortgage  
18 payments because the ARMs have adjusted and because they are unable to refinance the loans due to  
19 prepayment penalties.

### 20 1.3 Borrowers R.D.B.

21 A. 8111 Puyallup, WA Purchase. In December 2004, Borrowers R.D.B. signed an  
22 application for a residential home loan for a property at 8111 in Puyallup, Washington. This loan was  
23 for the purchase of an owner-occupied single family residence. Borrowers R.D.B.'s credit was  
24  
25

1 ordered by Respondent Kinder on December 13, 2004, and the file communication log indicates  
2 escrow was opened and title was ordered on January 4, 2005. The loan was taken by Respondent  
3 Kinder and was a full document loan. Respondent Kinder did not sign and date the loan application.  
4 The first time Borrowers R.D.B. received a Good Faith Estimate (GFE) and Truth In Lending  
5 Statement (TIL) from Respondent Kinder was on February 2, 2005. The (GFE) and (TIL) indicate a  
6 preparation date of January 10, 2005. The GFE disclosed, among other costs, a broker fee of \$4,000  
7 and a YSP of "up to 1 pt."

8  
9 On February 28, 2005, Borrowers R.D.B. signed a final loan application, final GFE and final  
10 TIL. At the time they applied for this loan, Borrowers R.D.B. had monthly incomes of \$4,410 and  
11 \$4,410 each for a total income of \$8,820 a month. The final GFE disclosed, among other things, a  
12 \$4,000 broker fee and a different YSP of "up to 2 pt."

13 This loan closed on or about March 1, 2005, with Borrowers R.D.B. paying Respondent  
14 Kinder a mortgage broker fee of \$5,900 (\$4,600 on 1<sup>st</sup> mortgage and \$1,300 on 2<sup>nd</sup> mortgage), a  
15 processing fee of \$198, a packaging fee of \$100 and a YSP of \$7,359.20, for a total in fees of  
16 \$13,259.20.

17 **B. 1107 Orting, WA Purchase.** On February 4, 2005, Borrowers R.D.B signed an  
18 application for a residential home loan for a property at 1107 in Orting, Washington. The loan  
19 application was taken by Respondent Kinder and was a full document loan. Respondent Kinder did  
20 not sign and date the application. At the time they applied for this loan, Borrowers R.D.B. had  
21 monthly incomes of \$4,410 and \$4,410 each for a total income of \$8,820 a month. Borrowers RDB  
22 received from Respondent Kinder an initial GFE and TIL on February 4, 2005. The GFE disclosed,  
23 among other costs, a broker fee of \$1,848 and a YSP of "up to 1 pts." The TIL did not to disclose  
24 whether or not a prepayment penalty was attached to the loan.  
25

1 On February 16, 2005, Respondent Kinder provided Borrowers R.D.B. a second GFE and TIL.  
2 The second GFE disclosed a mortgage broker fee of \$1,848, but the YSP had increased to "up to 1.50  
3 pts." The second TIL did not disclose whether there would be a prepayment penalty attached to the  
4 loan.

5 On February 18, 2005, Respondent Kinder provided Borrowers R.D.B. a third GFE and TIL.  
6 The third GFE disclosed a mortgage broker fee of \$1,848, and the YSP remained at "up to 1.50 pts."  
7 The third TIL did not disclose whether there would be a prepayment penalty attached to the loan.  
8

9 This loan closed on or about February 24, 2005, with Borrowers R.D.B. paying Respondent  
10 Kinder a mortgage broker fee of \$1,848, a processing fee of \$500, a packaging fee of \$100 and a YSP  
11 of \$2,772, for a total in fees of \$5,220. A 2-year prepayment penalty was attached to this loan that  
12 was not disclosed in the TIL.

13 **C. 2713 Puyallup, WA Purchase.** On or about March 22, 2005, Borrowers R.D.B signed  
14 an application for a residential home loan for a property at 2713 in Puyallup, Washington. The loan  
15 application was taken by Respondent Kinder and was a stated income loan even though Respondent  
16 Kinder had recently originated the 1107 Orting, WA loan (above). Respondent Kinder requested  
17 Borrowers R.D.B.'s credit for this loan on March 17, 2005. Borrowers RDB signed an initial GFE and  
18 TIL on March 22, 2005. The initial GFE and TIL were prepared March 16, 2005. The GFE disclosed,  
19 among other costs, a broker fee of \$3,500 and a YSP of "up to .5 pt." Borrowers R.D.B's monthly  
20 incomes had increased to \$6,200 and \$5,000 for a total income of \$11,200 per month.  
21

22 This loan closed on April 26, 2005, with Borrowers R.D.B. paying Respondent Kinder a  
23 mortgage broker fee of \$2,000, a processing fee of \$800, a packaging fee of \$200, and a YSP of \$768  
24 for a total in fees of \$3,768.  
25

1           **D.     11903 Graham, WA Purchase.** On September 1, 2005, Borrowers R.D.B. signed an  
2 application for a residential home loan for a property at 11903 in Graham, Washington. The loan  
3 application was taken by Respondent Kinder and was a stated income loan even though Respondent  
4 Kinder had previously originated the loans outlined in subsections A, B and C above within the prior 9  
5 months. Respondent Kinder requested Borrowers R.D.B.'s credit for this loan on July 6, 2005.  
6 Borrowers RDB signed an initial GFE and TIL on September 1, 2005. The initial GFE and TIL were  
7 prepared July 6, 2005.

8           The GFE disclosed, among other costs, a broker fee of \$3,500. The TIL did not disclose  
9 whether there would be a prepayment penalty attached to the loan and if the rate was a variable rate.  
10 Borrowers R.D.B's monthly incomes as stated on the application increased to \$8,500 and \$7,400 for a  
11 total income of \$15,900 per month. These incomes are not consistent with the prior full document  
12 loans that Respondent Kinder originated for Borrowers R.D.B. The income levels are inflated.

13           On September 19, 2005, Respondent Kinder provided Borrowers R.D.B a revised GFE and  
14 TIL. The revised GFE and TIL were prepared on September 1, 2005. The revised TIL again failed to  
15 disclose whether there would be a prepayment penalty attached to the loan and if the rate was a  
16 variable rate.

17           On September 22, 2005, Respondent Kinder provided Borrowers R.D.B. a final application,  
18 final GFE and final TIL. The application clearly states the loan applied for is an adjustable rate  
19 mortgage (ARM). Borrowers R.D.B.'s incomes still total \$15,900 on the loan application.  
20 Respondent Kinder did not sign or date the final loan application. The final TIL did not disclose  
21 whether there would be a prepayment penalty attached to the loan and if the rate was a variable rate.  
22  
23  
24  
25

1 This loan closed on September 23, 2005, with Borrowers R.D.B. paying Respondent Kinder a  
2 mortgage broker fee of \$3,500, a processing fee of \$500, a packaging fee of \$100, for a total in fees of  
3 \$4,100. In addition, there was an undisclosed 3-year prepayment penalty attached to this loan.

4 **E. 2703 Puyallup, WA Refinance.** On January 15, 2007, Borrowers R.D.B. signed a loan  
5 application to refinance a loan for property at 2703 in Puyallup, Washington. The loan application  
6 was taken by Respondent Kinder and was a stated income loan even though Respondent Kinder had  
7 previously originated the loans outlined above (A through D). Respondent Kinder did not sign and  
8 date the loan application (his assistant signed for him). Borrowers R.D.B.'s income on this loan is  
9 listed at \$10,000 and \$6,500 for a total monthly income of \$16,500. These incomes are not consistent  
10 with the prior full document loans or the prior stated income loans that Respondent Kinder originated  
11 for Borrowers R.D.B. The income levels are inflated.  
12

13 This loan closed on March 7, 2007 with Borrowers R.D.B. paying Respondent Kinder a  
14 processing fee of \$500, a packaging fee of \$100, and a YSP for \$7,260 for a total in fees of \$7,860.

15 **F. 8111 Puyallup, WA Refinance.** On January 15, 2007, Borrowers R.D.B. signed an  
16 application to refinance a loan for property at 8111 in Puyallup, Washington. The loan application  
17 was taken by Respondent Kinder and was a stated income loan even though Respondent Kinder had  
18 previously originated the loans outlined above (A through E). Respondent Kinder did not sign and  
19 date the loan application (his assistant signed for him).  
20

21 This loan was applied for on the same day as the refinance loan for the property located at  
22 2703 in Puyallup, WA. Borrowers R.D.B.'s income on this loan is listed at \$8,750 and \$7,500 for a  
23 total monthly income of \$16,250. These incomes are not consistent with the prior full document loans  
24 or the prior stated income loans that Respondent Kinder originated for Borrowers R.D.B. These  
25

1 incomes are not consistent with the 2703 refinance loan that was applied for on the same day. The  
2 income levels are inflated.

3 This loan closed on February 13, 2007, with Borrowers R.D.B. paying Respondent Kinder a  
4 processing fee of \$500, a packaging fee of \$100, and a YSP for \$10,800 for a total in fees of \$11,400.

5 **G. 1107 Orting Refinance.** On May 8, 2007, Borrowers R.D.B. signed an application to  
6 refinance a loan for investment property at 1107 in Orting, Washington. The loan application was  
7 taken by Respondent Kinder and was a stated income loan even though Respondent Kinder had  
8 previously originated the loans outlined above (paragraphs A through F). Respondent Kinder did not  
9 sign and date the loan application (his assistant signed for him). Respondent Kinder requested  
10 Borrowers R.D.B.'s credit for this loan on March 16, 2007. Borrowers RDB signed an initial GFE and  
11 TIL on May 9, 2007. The initial GFE and TIL indicate they were prepared on January 15, 2007.

12 The GFE disclosed, among other costs, a YSP of "3.75%." Borrowers R.D.B.'s monthly  
13 incomes as stated on the application increased to \$11,300 and \$8,000 for a total income of \$19,300 per  
14 month. These incomes are not consistent with the prior full document loans or the prior stated income  
15 loans that Respondent Kinder originated for Borrowers R.D.B. The income levels are inflated.

16 This loan closed on May 11, 2007, with Borrowers R.D.B. paying Respondent Kinder a  
17 processing fee of \$500, a packaging fee of \$100 and a YSP of \$9,084.38, for a total in fees of  
18 \$9,684.38.

19 **H. 665 Eatonville, WA Purchase.** On February 20, 2007, Borrowers R.D.B. signed an  
20 application for a residential home loan to purchase property at 665 Eatonville, Washington. The loan  
21 application was taken by loan originator Roy Kinder and was a stated income loan even though  
22 Respondent Kinder had previously originated the loan outlined above. Roy Kinder did not sign and  
23  
24  
25



1 date the loan application (an assistant signed for him). Respondent Kinder requested Borrowers  
2 R.D.B.'s credit for this loan on January 23, 2007.

3 Borrowers RDB signed an initial GFE and TIL on February 20, 2007. The initial GFE and TIL  
4 indicate they were prepared January 15, 2007.

5 The GFE disclosed, among other costs, a broker fee of \$1,985 and a YSP of "1.5." Borrowers  
6 R.D.B.'s monthly incomes on this loan application increased to \$10,000 and \$6,500 for a total income  
7 of \$16,500 per month. These incomes are not consistent with the prior full document loans that  
8 Respondent Kinder originated for Borrowers R.D.B. The income levels are inflated.

9 This loan closed on March 6, 2007, with Borrowers R.D.B. paying Respondent Kinder a  
10 mortgage broker fee of \$1,985, a processing fee of \$500, a packaging fee of \$100, for a total in fees of  
11 \$2,585.  
12

13 **I. 665 Eatonville, WA Refinance.** On May 14, 2007, Borrowers R.D.B. signed an  
14 application for a residential home loan for a property at 665 Eatonville, Washington. The loan  
15 application was for a refinance, was taken by loan originator Roy Kinder, and was a stated income  
16 loan even though Respondent Kinder had previously originated the loans outlined above (paragraphs  
17 A through H). Roy Kinder did not sign and date the loan application (an assistant signed for him).  
18 Respondent Kinder requested Borrowers R.D.B.'s credit for this loan on May 10, 2007.

19 Borrowers RDB signed an initial GFE and TIL on May 14, 2007. The initial GFE and TIL  
20 indicate they were prepared February 10, 2007. The GFE disclosed, among other costs, a broker fee  
21 of \$1,500 and a YSP of "1." The TIL did not disclose if the rate was a variable rate. Borrowers  
22 R.D.B.'s monthly incomes as stated on the application increased to \$10,000 and \$6,500 for a total  
23 income of \$16,500 per month. These incomes are not consistent with the prior full document loans  
24 that Respondent Kinder originated for Borrowers R.D.B. The income levels are inflated.  
25

1 On May 22, 2007, Borrowers R.D.B. signed a revised loan application. On June 6, 2007,  
2 Respondent Kinder provided Borrowers R.D.B. a revised GFE and TIL. The revised GFE and TIL  
3 indicate they were prepared on February 10, 2007, and were not timely provided to the Borrowers  
4 R.D.B. The revised TIL did not disclose whether the rate was a variable rate. The revised GFE  
5 disclosed, among other costs, a broker fee of \$3,060 and does not mention a YSP.

6 This loan closed on June 14, 2007, with Borrowers R.D.B. paying Respondent Kinder a  
7 mortgage broker fee of \$3,060, a processing fee of \$300, a packaging fee of \$100, and a YSP of \$510  
8 for a total in fees of \$3,970.

9  
10 **1.4 Borrowers E.G.D.**

11 **A. 9123 Olympia 1<sup>st</sup> Refinance.** On February 24, 2005, Borrowers E.G.D. signed an  
12 application for a residential home loan to refinance their primary residence located at 9123 in  
13 Olympia, Washington. The loan application was taken by Respondent Kinder and was a full  
14 document loan. The application states Borrowers E.D.G.'s income is \$7,600 per month. This  
15 refinance loan closed on March 28, 2005.

16 **B. 9123 Olympia 2nd Refinance.** On June 29, 2006, Borrowers E.G.D. applied with  
17 Respondent Kinder a second time to refinance their primary residence located at 9123 in Olympia,  
18 Washington. The loan application indicates it was taken by Respondent Kinder. The application is for  
19 a stated income loan. The income for Borrowers E.G.D. shows an increase from \$7,600 in March of  
20 2005 to \$10,400 per month. These incomes are not consistent with the prior full document loan that  
21 Respondent Kinder originated for Borrowers E.G.D. The income levels are inflated.

22  
23 On August 29, 2006, Borrowers E.G.D. sign a revised loan application. The revised  
24 application states Borrowers E.D.G. monthly income is \$13,700. The income levels are inflated.

1 Respondent Kinder did not sign and date the revised application. This loan closed on September 7,  
2 2006.

3       **C.     5018 Tacoma Purchase.** On August 29, 2006, Borrowers E.G.D. signed an  
4 application for a residential home loan to purchase property at 5018 in Tacoma, Washington. This  
5 loan application was submitted prior to the refinance loan for property 9123 closed on September 7,  
6 2006. The loan application was taken by loan originator Victor Berdecia and was a stated income  
7 loan. The application for the purchase of this property was signed on August 29, 2006, the same day  
8 the revised loan application for the 9123 Tacoma property was signed. While the revised 9123  
9 application indicates Borrowers E.G.D.'s monthly income as \$13,700, the application for 5018  
10 indicates monthly income of \$12,200. The income levels are inflated. Loan originator Victor Berdecia  
11 did not sign and date the revised application.  
12

13       This loan closed on October 11, 2006. Prior to this loan closing, Borrowers E.G.D. applied for  
14 another loan to purchase an investment property (10010 Buckley, WA) that was not disclosed on this  
15 loan application (see D).

16       **D.     10010 Buckley Purchase.** On September 18, 2006, with the loan application for  
17 property 5018 Tacoma, WA still pending, Borrowers E.G.D. signed a loan application for another  
18 residential mortgage loan for the purpose of purchasing an investment property at 10010 in Buckley,  
19 Washington. The loan application was taken by loan originator Victor Berdecia and was a stated  
20 income loan. Respondent Kinder requested Borrowers E.D.G.s' credit on August 29, 2006, and a  
21 Purchase and Sale Agreement for the 10010 property was signed on September 9, 2006. A GFE and  
22 TIL were signed by Borrowers E.D.G. on September 18, 2006, but both documents indicate they were  
23 prepared on August 29, 2006.  
24  
25

1 The application lists Borrowers E.D.G.'s monthly income as \$11,091. The income levels are  
2 inflated. Victor Berdecia did not sign and date the loan application (an assistant signed for him). In  
3 addition, this loan application did not list the 5018 property that was in the process of being purchased  
4 but not yet closed.

5 This loan closed on October 19, 2006, with Borrowers E.D.G. paying Respondent Kinder a  
6 mortgage broker fee of \$4,500, a processing fee of \$800, an administration fee of \$200, and a YSP of  
7 \$1,751.25 for a total in fees of \$7,251.25.

8  
9 **1.5 Borrowers J.D.T.**

10 **A. 10170 Tacoma Refinance.** On May 27, 2005, Borrowers J.D.T. signed an application  
11 for a residential mortgage loan for the purpose of refinancing their primary residence located at 10170  
12 in Tacoma, Washington. The loan application was taken by Respondent Kinder and was a full  
13 document loan. The application indicates Borrowers J.D.T.'s income is \$6,258 per month.  
14 Respondent Kinder did not sign and date the application. Respondent Kinder requested Borrowers  
15 J.D.T.'s credit on May 26, 2005.

16 Respondent Kinder provided a GFE and TIL to Borrowers J.D.T. on May 27, 2005; however  
17 the GFE and TIL indicate they were prepared on January 4, 2005. The GFE discloses, among other  
18 things, a mortgage broker fee of \$2,500, a processing fee of \$500, a packaging fee of \$100 and a YSP  
19 "UP TO 2 PTS."

20  
21 On June 21, 2005, Respondent Kinder provided a revised GFE and TIL to Borrowers J.D.T.  
22 The revised GFE indicates it was prepared on January 4, 2005, and discloses a mortgage broker fee of  
23 \$2,500, an \$800 processing fee, a packaging fee of \$200 and a YSP of "UP TO 2 PTS." Borrowers  
24 J.D.T. were not informed by Respondent Kinder of the YSP and that they were responsible for it.

1 On June 22, 2005, Respondent Kinder provided a final GFE and TIL Borrowers J.D.T. The  
2 final GFE and TIL indicate they were prepared on January 4, 2005. The final GFE is the same as the  
3 revised GFE from June 21, 2005; however, the YSP disclosed changed to "UP TO 1 PTS."

4 This loan closed on June 28, 2005, with Borrowers J.D.T paying Respondent Kinder a  
5 mortgage broker fee of \$2,500, a processing fee of \$800, a broker/packaging fee of \$200, and a YSP  
6 of \$1,720.02 for a total in fees of \$5,220.02.

7  
8 **B. 10170 Tacoma 2<sup>nd</sup> Refinance.** On January 18, 2006, Borrowers J.D.T. signed an  
9 application for a residential mortgage loan for the purpose of refinancing their primary residence  
10 located at 10170 in Tacoma, Washington to a fixed rate. The loan application was taken by  
11 Respondent Kinder and was a full document loan. The application indicates Borrowers J.D.T's  
12 income is \$6,258 per month. Respondent Kinder requested Borrowers J.D.T's credit on January 18,  
13 2006. Respondent Kinder provided the GFE and TIL to Borrowers J.D.T. on January 18, 2006;  
14 however, the GFE and TIL indicate they were prepared on January 4, 2005. The GFE discloses,  
15 among other things, a mortgage broker fee of \$2,400, a processing fee of \$300, a packaging fee of  
16 \$100 and a YSP "up to 1 points." Again, Borrowers J.D.T. were not informed by Respondent Kinder  
17 of the YSP and that it was a fee attributable to them over the long term of the loan due to a higher  
18 interest rate.

19 This loan closed on March 7, 2006, with Borrowers J.D.T paying Respondent Kinder a  
20 mortgage broker fee of \$2,400, a processing fee of \$500, a packaging fee of \$100, and a YSP of  
21 \$2,400 for a total in fees of \$5,400.

22  
23 **C. 23103 Graham Construction Loan.** On or about May 31, 2006, Borrowers J.D.T.  
24 signed an application for a construction loan through Respondent Kinder for the purposes of building a  
25 home at 23103 in Graham, Washington. The loan application was taken by Respondent Kinder and

1 was a stated income loan. The income for Borrowers J.D.T. listed in the application dated May 31,  
2 2006, is \$9,500 per month. Borrowers J.D.T. did not make \$9,500 per month at that time and did not  
3 know that figure was being used in the application.

4 On August 29, 2006, Respondent Kinder submitted a final loan application to the lender in  
5 which Borrowers J.D.T.'s income was stated as \$10,000 per month. Borrowers J.D.T. did not make  
6 that much money at the time and was not aware that figure was being placed in the application by  
7 Respondent Kinder.

8 This loan was approved and closed on September 15, 2006, with Borrowers J.D.T. paying  
9 Respondent Kinder a mortgage broker fee of \$6,000, a processing fee of \$1000, a packaging fee of  
10 \$200, for a total in fees of \$7,200.

11  
12 **1.6 Borrowers M.K.M.**

13 **A. 18537 Puyallup Purchase.** On February 8, 2006, Borrowers M.K.M. signed an  
14 application for a residential mortgage loan for the purpose of purchasing an investment property  
15 located at 18537 in Puyallup, Washington. The loan application was taken by Respondent Kinder and  
16 was a full document loan. The application indicates Borrowers M.K.M.'s income is \$8,630 per  
17 month. Respondent Kinder did not sign and date the loan application.

18 Respondent Kinder requested Borrowers M.K.M.'s credit on February 8, 2006. Respondent  
19 Kinder provided the GFE and TIL to Borrowers J.D.T. on February 8, 2006. The GFE discloses,  
20 among other things, a mortgage broker fee of \$6,490.25, a processing fee of \$500, a packaging fee of  
21 \$100 and a YSP of "up to 1 pt."

22 This loan closed on March 6, 2006, with Borrowers M.K.M. paying Respondent Kinder a  
23 mortgage broker fee of \$6,490.26, a processing fee of \$500, a packaging fee of \$100, and a YSP of  
24 \$3,966.27 for a total in fees of \$11,056.53.  
25

1           **B.     2302 Tacoma Purchase.** On May 14, 2006, Borrowers M.K.M. signed an application  
2 for a residential mortgage loan for the purpose of purchasing an investment property located at 2302 in  
3 Tacoma, Washington. The loan application was taken by Respondent Kinder and was a full document  
4 loan. The application indicates Borrowers M.K.M.'s income is \$8,894 per month. Respondent Kinder  
5 did not sign and date the loan application.

6           Respondent Kinder requested Borrowers M.K.M.'s credit on May 11, 2006. Respondent  
7 Kinder provided the GFE and TIL to Borrowers J.D.T. on May 14, 2006. The GFE and TIL indicate  
8 they were prepared on May 11, 2006. The GFE discloses, among other things, a mortgage broker fee  
9 of \$5,000, a processing fee of \$500, a packaging fee of \$100 and a YSP of "up to 2.5 pts."

10           On May 24, 2006, and again on May 31, 2006, Respondent Kinder provided another GFE and  
11 TIL to Borrowers M.K.M. The revised GFEs indicate they were prepared on May 11, 2006, and  
12 disclose similar terms as the May 14, 2006, GFE including the YSP as "up to 2.5 pts."

13           The application for this loan submitted by Respondent Kinder to the lender did not list the  
14 4424 Seattle or the 8034 Olympia properties that were being simultaneously purchased (and closed on  
15 June 13, 2006, and June 1, 2006, respectively) by Borrowers M.K.M.

16           This loan closed on June 1, 2006, with Borrowers M.K.M. paying Respondent Kinder a  
17 mortgage broker fee of \$5,000, a processing fee of \$500, a packaging fee of \$100, and a YSP of  
18 \$5,388.08 for a total in fees of \$10,988.08.

19           **C.     4424 Seattle Purchase.** On May 14, 2006, Borrowers M.K.M. signed an application  
20 for a residential mortgage loan for the purpose of purchasing an investment property located at 4424 in  
21 Seattle, Washington. The loan application was taken by Respondent Kinder and was a full document  
22 loan. The application indicates Borrowers M.K.M.'s income is \$8,630 per month. Respondent Kinder  
23 did not sign and date the loan application.  
24  
25

1 Respondent Kinder requested Borrowers M.K.M.'s credit on May 11, 2006. Respondent  
2 Kinder provided the GFE and TIL to Borrowers M.K.M. on May 14, 2006. The GFE and TIL indicate  
3 they were prepared on May 11, 2006. The GFE discloses, among other things, a mortgage broker fee  
4 of \$8,000, a processing fee of \$500, a packaging fee of \$100 and a YSP of "up to 1.12500 pts."

5 On June 6, 2006, Respondent Kinder provided a revised GFE to Borrowers M.K.M. The  
6 revised GFE indicates it was prepared on May 11, 2006, and discloses similar terms as the May 14,  
7 2006, GFE including the YSP as "up to 1.25pts."

8 The application for this loan submitted by Respondent Kinder to the lender did not list the  
9 2302 Tacoma or the 8034 Olympia properties that were being simultaneously purchased (and closed  
10 on June 5, 2006 and June 1, 2006, respectively) by Borrowers M.K.M.

11 This loan closed on June 1, 2006, with Borrowers M.K.M. paying Respondent Kinder a  
12 mortgage broker fee of \$8,000, a processing fee of \$500, a packaging fee of \$100, and a YSP of  
13 \$3,200 for a total in fees of \$11,800.

14  
15 **D. 8034 Olympia Purchase.** On May 14, 2006, Borrowers M.K.M. signed an application  
16 for a residential mortgage loan for the purpose of purchasing an investment property located at 8034 in  
17 Olympia, Washington. The loan application was taken by Respondent Kinder and was a full  
18 document loan. The application indicates Borrowers M.K.M.'s income is \$8,630 per month.  
19 Respondent Kinder did not sign and date the loan application.

20  
21 Respondent Kinder requested Borrowers M.K.M.'s credit on May 11, 2006. Respondent  
22 Kinder provided the GFE and TIL to Borrowers M.K.M. on May 14, 2006. The GFE and TIL indicate  
23 they were prepared on May 11, 2006. The GFE discloses, among other things, a mortgage broker fee  
24 of \$2,500, a processing fee of \$500, a packaging fee of \$100 and a YSP of "up to 2.5 pts."



1 On May 21, 2006, Respondent Kinder provided a revised GFE to Borrowers M.K.M. The  
2 revised GFE indicates it was prepared on May 11, 2006, and discloses similar terms as the May 14,  
3 2006, GFE but the YSP increased to "up to 3.075 pts."

4 The application for this loan submitted by Respondent Kinder to the lender did not list the  
5 2302 Tacoma or the 4424 Seattle properties that were being simultaneously purchased (and closed on  
6 June 5, 2006 and June 13, 2006, respectively) by Borrowers M.K.M.

7 This loan closed on June 1, 2006, with Borrowers M.K.M. paying Respondent Kinder a  
8 mortgage broker fee of \$2,500, a processing fee of \$500, a packaging fee of \$100, and a YSP of  
9 \$5,904 for a total in fees of \$9,004.

10  
11 **E. 2024 Olympia Refinance.** On or about May 20, 2007, Borrowers M.K.M. applied for  
12 a residential mortgage loan for the purpose of refinancing their primary residence located at 2024 in  
13 Olympia, Washington. The loan application was taken by Respondent Kinder and was a stated  
14 income loan. Respondent Kinder did not sign and date the loan application.

15 The application indicates Borrowers M.K.M.'s income is \$11,100 per month. The income  
16 levels are inflated.

17 Respondent Kinder requested Borrowers M.K.M.'s credit on March 14, 2007. Respondent  
18 Kinder provided the GFE and TIL to Borrowers M.K.M. on April 25, 2007. The GFE and TIL  
19 indicate they were prepared on March 15, 2007. The GFE discloses, among other things, a mortgage  
20 broker fee of \$2,000, a processing fee of \$500, a packaging fee of \$100 and a YSP of "up to 1."

21  
22 On May 11, 2007, Respondent Kinder provided a revised GFE to Borrowers M.K.M. The  
23 revised GFE indicates it was prepared on March 15, 2007, and discloses similar terms as the May 14,  
24 2006, GFE, but the YSP has changed to "up to .375."

25

1 This loan closed on May 16, 2007, with Borrowers M.K.M. paying Respondent Kinder a  
2 mortgage broker fee of \$2,000, a processing fee of \$500, a packaging fee of \$100, and a YSP of  
3 \$369.60 for a total in fees of \$2,969.60.

4 **F. 4424 Seattle Refinance.** On April 25, 2007, Borrowers M.K.M. signed an application  
5 for a residential mortgage loan for the purpose of refinancing an investment property at 4424 in  
6 Seattle, Washington. The loan application was taken by Respondent Kinder and was a stated income  
7 loan. Respondent Kinder did not sign and date the loan application (his assistant signed for him).  
8 Respondent Kinder requested Borrowers M.K.M.'s credit on March 14, 2007. A GFE and TIL were  
9 signed by Borrowers M.K.M on April 25, 2007. Both documents indicate they were prepared on  
10 March 15, 2007.  
11

12 The GFE discloses, among other things, a mortgage broker fee of \$4,935, a processing fee of  
13 \$500, a packaging fee of \$100 and a YSP of "up to 1.25 pts." Respondent Kinder provided additional  
14 GFEs on July 18, 2007 and July 26, 2007, which disclose similar terms as the April 25, 2007, GFE,  
15 but the YSP increased to "up to 1.5pts."

16 This loan closed on July 30, 2007, with Borrowers M.K.M. paying Respondent Kinder a  
17 mortgage broker fee of \$5,400, a processing fee of \$500, a packaging fee of \$200, and a YSP of  
18 \$5,400 for a total in fees of \$11,400.  
19

20 **1.7 Borrower J.B.**

21 **A. 4513 Tacoma Refinance.** On August 28, 2006, Borrower J.B. signed an application  
22 for a residential mortgage loan for the purpose of refinancing a property at 4513 in Tacoma,  
23 Washington. The loan application was taken by Respondent Kinder. The loan was a full document  
24 loan. Respondent Kinder did not sign or date the loan application. Respondent Kinder requested  
25 Borrower J.B.'s credit on August 23, 2006.

1 Respondent Kinder provided a GFE and TIL to Borrower J.B. on September 21, 2006. The  
2 GFE disclosed, among other things, a mortgage broker fee of \$4,160 and a YSP of "up to 3.95%."  
3 None of the fees, including the exorbitant origination fees and YSP associated with this loan, were  
4 explained by Respondent Kinder to Borrower J.B.

5 This loan closed on September 28, 2006, with Borrower J.B. paying Respondent Kinder a  
6 mortgage broker fee of \$1,584, a processing fee of \$500, a packaging fee of \$100, and a YSP of  
7 \$8,216 for a total in fees of \$10,400.

8  
9 **B. 2120 Tacoma Purchase.** On April 18, 2007, Borrower J.B. signed an application  
10 for a residential mortgage loan for the purpose of purchasing a property at 2120 in Tacoma,  
11 Washington. The loan application was initially taken by a loan originator working for Respondent  
12 Kinder. The loan was a stated income loan. Respondent Kinder requested Borrower J.B.'s credit on  
13 April 17, 2007.

14 A GFE and TIL were signed by Borrower J.B. on April 18, 2007. At some point during the  
15 loan process the terms and fees of the loan changed.

16 The GFE disclosed, among other things, a mortgage broker fee of \$17,500 and a YSP "of up to  
17 3.75%." Respondent Kinder provided a second and third GFE to Borrower J.B. which generally  
18 disclosed the same terms as the first GFE. None of the fees, including the exorbitant origination fees  
19 or the YSP were explained to Borrower J.B. by Respondent Kinder.

20 Respondent Kinder represented this loan to the lender as an owner-occupied residence despite  
21 the purchase being for investment purposes. Borrower J.B. has never lived in the 2120 Tacoma  
22 residence and never intended to do so. In addition, Respondent Kinder listed, in this loan application,  
23 Borrower J.B.'s primary residence at 4513 in Tacoma as a rental.  
24  
25

1 Respondent Kinder reported the monthly income of Borrower J.B.'s on the loan application as  
2 \$10,418. This income is inflated.

3 This loan closed on May 15, 2007, with Borrower J.B. paying Respondent Kinder a mortgage  
4 broker fee of \$17,500, a processing fee of \$500, a packaging fee of \$100, and a YSP of \$14,688 for a  
5 total in fees of \$32,788.

6 **1.8 Borrowers R.V.B.**

7 **A. 11020 Puyallup Refinance.** On June 22, 2006, Borrowers R.V.B. signed an  
8 application for a residential mortgage loan for the purpose of refinancing their primary residence at  
9 11020 in Puyallup, Washington. The loan application was taken by Respondent Kinder and was a full  
10 document loan. The application accurately states Borrowers R.V.B.'s income is \$6,100 per month.  
11 Respondent Kinder did not sign and date the loan application (his assistant signed for him).  
12 Respondent Kinder requested Borrowers R.V.B.'s credit on March 20, 2006 and again on June 20,  
13 2006. A GFE and TIL were signed by Borrowers R.V.B. on June 22, 2006. Both documents indicate  
14 they were prepared on June 19, 2006.  
15

16 The GFE discloses, among other things, a mortgage broker fee of \$3,000, a processing fee of  
17 \$500, and a YSP of "up to 2.625 POINTS." None of the fees associated with this loan were explained  
18 by Respondent Kinder to Borrowers R.V.B.  
19

20 This loan closed on July 12, 2006, with Borrowers R.V.B. paying Respondent Kinder a  
21 mortgage broker fee of \$3,000, a processing fee of \$500, a packaging fee of \$100, and a YSP of  
22 \$5,040 for a total in fees of \$8,640.

23 **B. 2502 Spanaway Purchase.** On June 22, 2006, the same day Borrowers R.V.B. signed  
24 an application to refinance their 11020 Puyallup residence, they applied for a stated income loan with  
25

1 Respondent Kinder to purchase a primary residence at 2502 in Spanaway Washington. Respondent  
2 Kinder submitted these loans simultaneously as primary residence loans.

3 Borrowers R.V.B. understood Respondent Kinder was their loan originator, but the application  
4 for this loan is signed by Tamara Heiter, an office assistant for Respondent Kinder. Borrowers R.V.B.  
5 never discussed the loan rates or terms with Tamara Heiter and did not know she had signed their loan  
6 application as the loan originator. Respondent Kinder was the loan originator regarding this  
7 transaction.

8  
9 The application indicates Borrowers R.V.B.'s income is \$17,042 per month. The income  
10 levels are inflated. Borrowers R.V.B. did not know Respondent Kinder had listed their income on  
11 the application as \$17,042 and did not know this loan was a stated income loan.

12 Respondent Kinder did not sign and date the loan application (his assistant signed for him).  
13 Respondent Kinder requested Borrowers R.V.B.'s credit on March 20, 2006 and again on June 22,  
14 2006. A GFE and TIL were signed by Borrowers R.V.B. on June 22, 2006. Both documents indicate  
15 they were prepared on June 19, 2006.

16 The GFE discloses, among other things, a mortgage broker fee of \$14,950, a processing fee of  
17 \$500, a packaging fee of \$100, and a YSP of "up to .875 pts." None of the fees associated with this  
18 loan were explained to Borrowers R.V.B. In particular the origination fee was not pointed out to them  
19 by Respondent Kinder and they had no idea such fees were being charged. Borrowers R.V.B. were  
20 consistently rushed to sign documents and told by Respondent Kinder not to worry about reading the  
21 documents as they could trust him.

22  
23 While in the process of purchasing the 2502 Spanaway residence, Borrowers R.V.B. informed  
24 Respondent Kinder they would not be able to make the mortgage payment associated with the 2502  
25 Spanaway residence. Respondent Kinder told them he would contribute \$1,300 toward the mortgage

1 until they could refinance the property in the future. Respondent contributed the \$1,300 per month to  
2 Borrowers R.V.B.

3 This loan closed on July 26, 2006, with Borrowers R.V.B. paying Respondent Kinder a  
4 mortgage broker fee of \$18,390, a processing fee of \$800, and a packaging fee of \$200 for a total in  
5 fees of \$19,390. After the loan closed, Respondent Kinder provided monthly checks in the amount of  
6 \$1,300 to Borrowers R.V.B. to assist them in making their mortgage payment until they refinanced in  
7 December 2006 (see below).

8  
9 **C. 2502 Spanaway Refinance.** On December 5, 2006, Borrowers R.V.B. applied to  
10 refinance their 2502 Spanaway residence with Respondent Kinder. Borrowers R.V.B. understood  
11 Respondent Kinder was their loan originator, but the application for this loan is signed by Tamara  
12 Heiter, an office assistant for Respondent Kinder. The only contact Borrowers R.V.B. had with  
13 Tamara Heiter was when they needed to contact Respondent Kinder. Borrowers R.V.B. never  
14 discussed the loan rates or terms with Tamara Heiter and did not know she had signed their loan  
15 application as the loan originator. Respondent Kinder was the loan originator regarding this  
16 transaction.

17 The application indicates Borrowers R.V.B.'s income is \$17,042 per month. The income  
18 levels are inflated. Borrowers R.V.B. did not know Respondent Kinder had listed their income on  
19 the application as \$17,042 and did not know this loan was a stated income loan.

20 Respondent Kinder requested Borrowers R.V.B.'s credit on December 5, 2006 and again on  
21 December 28, 2006. A GFE and TIL were signed by Borrowers R.V.B. on December 5, 2006. Both  
22 documents indicate they were prepared on December 4, 2006.  
23  
24  
25

1 The GFE discloses, among other things, a mortgage broker fee of \$0, a processing fee of \$500,  
2 a packaging fee of \$100, and no YSP. No other disclosures were provided by Respondent Kinder to  
3 Borrowers R.V.B.

4 This loan closed on January 26, 2007, with Borrowers R.V.B. paying Respondent Kinder a  
5 mortgage broker fee of \$100, a processing fee of \$500, an administrative fee of \$300, an application  
6 fee of \$100, and a YSP of \$15,300 for a total in fees of \$16,300. None of the fees associated with this  
7 loan were explained to Borrowers R.V.B. by Respondent Kinder. The YSP was not pointed out to  
8 them by Respondent Kinder and they had no idea those fees were being charged.  
9

10 **1.9 Borrowers R.S.K.**

11 **A. 7918 Puyallup Refinance.** On January 16, 2006, Borrowers R.S.K. signed an  
12 application for a residential mortgage loan for the purpose of refinancing their primary residence at  
13 7918 in Puyallup, Washington. The loan application was taken by Respondent Kinder and was a full  
14 document loan. The application accurately states Borrowers R.S.K.'s income is roughly \$7,400 per  
15 month. Respondent Kinder did not sign and date the loan application (his assistant signed for him).  
16 Respondent Kinder requested Borrowers R.S.K.'s credit on January 11, 2006. A GFE and TIL were  
17 signed by Borrowers R.S.K. on January 16, 2006. Both documents indicate they were prepared on  
18 January 11, 2006.

19 **B. 6925 Tacoma Purchase.** On May 4, 2007, Borrower R.K. (one of the R.S.K.  
20 borrowers) signed an application for a residential mortgage loan for the purpose of purchasing an  
21 investment property at 6925 in Tacoma, Washington. The loan application was taken by loan  
22 originator Andrew Gray and was a stated income loan. Andrew Gray did not sign and date the loan  
23 application. Borrower R.K. was not informed by Respondent Kinder this loan was submitted as a  
24 stated income loan and understood the loan to be a full document loan.  
25

1 Borrower R.K.'s employer is listed in the loan application as being Cash Flow Alternatives  
2 with a monthly salary of \$13,500 per month. Borrower R.K. has never been employed by Cash Flow  
3 Alternatives and was not making \$13,500 per month at the time this application was submitted to the  
4 lender. Respondent Kinder falsified the loan application. Borrower R.K. is Respondent Kinder's  
5 brother and was working for American First Mortgage when this loan application was taken.  
6 Borrower R.K. claims to have had no knowledge the loan application contained these errors.

7 Respondent Kinder requested Borrower R.K.'s credit on March 22, 2007, and a Purchase and  
8 Sale Agreement (PSA) had been entered into between Borrower R.K. and the seller of the 6925  
9 Tacoma, WA property on February 22, 2007. According to the PSA, Respondent Kinder was the real  
10 estate agent for Borrower R.K. A GFE and TIL were signed by Borrower R.K. on April 4, 2007.  
11 Both documents indicate they were prepared on April 3, 2007.

12 The GFE discloses, among other things, a mortgage broker fee of \$6,100, a processing fee of  
13 \$500, a packaging fee of \$100 and a YSP of "up to 2.5 pts." Respondent Kinder provided a final GFE  
14 and TIL to Borrower R.K. on May 5, 2007, which disclose similar terms as the April 4, 2007, GFE,  
15 but the YSP increased to "up to 3.75pts." Borrower R.K. was not made aware by Respondent Kinder  
16 that a YSP was associated with this loan.

17 This loan closed on May 7, 2007, with Borrower R.K. paying Respondent Kinder a mortgage  
18 broker fee of \$6,100, a processing fee of \$500, a packaging fee of \$100, and a YSP of \$11,998.13 for a  
19 total in fees of \$18,698.13.

## 20 **1.10 Borrowers S.D.V.**

21 **A. 15907 Puyallup Refinance.** On July 14, 2005, Borrowers S.D.V. signed an application  
22 for a residential mortgage loan for the purpose of refinancing their primary residence at 15907 in  
23 Puyallup, Washington. The loan application was taken by Respondent Kinder and was a full  
24  
25



1 document loan. Respondent Kinder did not sign and date the loan application, but rather Tamara  
2 Heiter signed the application in his place. Tamara Heiter was not a loan originator for Respondent  
3 Kinder at the time this application was taken. Respondent Kinder requested Borrowers S.D.V.'s credit  
4 on July 6, 2005.

5 Respondent Kinder provided Borrowers S.D.V. with a GFE and a TIL on July 14, 2005. Both  
6 documents indicate they were prepared on July 12, 2005.

7 The GFE provided to Borrowers S.D.V. indicated no fees would be charged by Respondent  
8 Kinder for originating the loan. No other disclosures were provided to Borrowers S.D.V. by  
9 Respondent Kinder. Yet the HUD1 indicates Borrowers S.D.V. (loan closed August 3, 2005) were  
10 charged a \$3,700 mortgage broker fee, a \$800 processing fee, a \$200 application fee and a \$2,080  
11 YSP for a total in fees paid to Respondent Kinder of \$6,780.

12  
13 **B. 9415 Graham Purchase.** On January 24, 2006, Borrowers S.D.V. signed an  
14 application for a residential mortgage loan for the purpose of purchasing a new primary residence at  
15 9415 in Graham, Washington. The loan application was taken by Respondent Kinder and was a full  
16 document loan. Respondent Kinder did not sign and date the loan application, but an assistant signed  
17 the application in the name of Tamara Heiter. Tamara Heiter was not a loan originator for Respondent  
18 Kinder at the time this application was taken. Respondent Kinder requested Borrowers S.D.V.'s credit  
19 on January 16, 2006. Borrowers S.D.V. had entered into a Purchase and Sales Agreement to buy this  
20 home on December 6, 2005.

21 Respondent Kinder provided Borrowers S.D.V. with a GFE and a TIL on January 24, 2006.  
22 Both documents indicate they were prepared on January 10, 2006.

23 The GFE provided to Borrowers S.D.V. disclosed, among other things, a mortgage broker fee  
24 of \$5,000, a processing fee of \$500, a packaging fee of \$100, and a YSP of "up to 1pts." The YSP  
25

1 was never pointed out or explained by Respondent Kinder to Borrowers S.D.V. that it was a fee they  
2 would pay over the length of the loan due to a higher interest rate.

3 At the time this loan application was taken by Respondent Kinder, Borrowers S.D.V. had  
4 submitted two additional loan applications to Respondent Kinder, at his direction, for the purchase of  
5 two additional homes. Those home purchases (7231 Puyallup and 11520 Tacoma – listed below) were  
6 not included in this application when it was submitted to the lender for approval. Borrowers S.D.V.  
7 were not qualified, given their joint income of \$7,400 per month, to purchase 3 separate houses. Each  
8 of these loans were submitted to different lenders simultaneously.

9  
10 This loan closed on February 3, 2006, with Borrowers S.D.V. paying Respondent Kinder a  
11 mortgage broker fee of \$5,000, and a processing fee of \$500, for a total in fees of \$5,500.

12 **C. 7231 Puyallup Purchase.** On January 24, 2006, Borrowers S.D.V. signed an  
13 application for a residential mortgage loan for the purpose of purchasing an investment property at  
14 7231 in Puyallup, Washington. The loan application was taken by Respondent Kinder and was a full  
15 document loan. Respondent Kinder did not sign and date the loan application, but an assistant signed  
16 the application in the name of Tamara Heiter. Tamara Heiter was not a loan originator for Respondent  
17 Kinder at the time this application was taken. Respondent Kinder requested Borrowers S.D.V.'s credit  
18 on January 16, 2006. Borrowers S.D.V. had entered into a Purchase and Sales Agreement to buy this  
19 home on December 23, 2005.

20 Respondent Kinder provided Borrowers S.D.V. with a GFE and a TIL on January 24, 2006.  
21 Both documents indicate they were prepared on January 10, 2006.

22 The GFE provided to Borrowers S.D.V. disclosed, among other things, a mortgage broker fee  
23 of \$3,500, a processing fee of \$500, a packaging fee of \$100 and a yield spread premium of "up to  
24  
25

1 1pts.” The YSP was never pointed out or explained by Respondent Kinder to Borrowers S.D.V. that it  
2 was a fee they would pay over the length of the loan due to a higher interest rate.

3 At the time this loan application was taken by Respondent Kinder, Borrowers S.D.V. had  
4 submitted two additional loan applications to Respondent Kinder, at his direction, for the purchase of  
5 two additional homes. Those home purchases (9415 Graham and 11520 Tacoma – included herein)  
6 were not included in this application when it was submitted to the lender for approval. Borrowers  
7 S.D.V. were not qualified, given their joint income of \$7,400 per month, to purchase 3 separate  
8 houses. Each of these loans were submitted to different lenders simultaneously.

9  
10 This loan closed on February 7, 2006, four days after the 9415 Graham loan, with Borrowers  
11 S.D.V. paying Respondent Kinder a mortgage broker fee of \$3,500, a processing fee of \$800, and a  
12 yield spread premium of \$1,728.53 for a total in fees of \$6,028.53.

13 **D. 11520 Tacoma Purchase.** On January 24, 2006, Borrowers S.D.V. signed an  
14 application for a residential mortgage loan for the purpose of purchasing an investment property at  
15 11520 in Tacoma, Washington. The loan application was taken by Respondent Kinder and was a full  
16 document loan. Respondent Kinder did not sign and date the loan application. Respondent Kinder  
17 requested Borrowers S.D.V.’s credit was pulled on January 16, 2006. Borrowers S.D.V. had entered  
18 into a Purchase and Sales Agreement to buy this home on December 22, 2005.

19 Respondent Kinder provided Borrowers S.D.V. with a GFE and a TIL on January 24, 2006.  
20 Both documents indicate they were prepared on January 10, 2006.

21 The GFE provided to Borrowers S.D.V. disclosed, among other things, a mortgage broker fee  
22 of \$3,500, a processing fee of \$500, a packaging fee of \$100 and a yield spread premium of “up to  
23 1pts.” The YSP was never pointed out or explained by Respondent Kinder to Borrowers S.D.V. that it  
24 was a fee they would pay over the length of the loan due to a higher interest rate.  
25

1 Borrowers S.D.V. submitted a second loan application for the 11520 Tacoma property to  
2 Respondent Kinder on February 9, 2006. The loan application was taken by Respondent Kinder and  
3 was a full document loan. Respondent Kinder did not sign and date the loan application.

4 Respondent Kinder provided Borrowers S.D.V. with another GFE and a TIL on February 10,  
5 2006. Both documents indicate they were prepared on January 10, 2006. The GFE provided to  
6 Borrowers S.D.V. disclosed, among other things, a mortgage broker fee of \$3,500, a processing fee of  
7 \$500, a packaging fee of \$100 and a yield spread premium of "up to .625 pts." The YSP was never  
8 pointed out or explained to Borrowers S.D.V. by Respondent Kinder that it was a fee they would pay  
9 over the length of the loan due to a higher interest rate.  
10

11 At the time this loan application was taken by Respondent Kinder, Borrowers S.D.V. had  
12 submitted two additional loan applications to Respondent Kinder, at his direction, for the purchase of  
13 two additional homes. Those home purchases (9415 Graham and 7231 Puyallup – included herein)  
14 were not included in this application when it was submitted to the lender for approval. Borrowers  
15 S.D.V. were not qualified, given their joint income of \$7,400 per month, to purchase 3 separate  
16 houses. Each of these loans were submitted to different lenders simultaneously.

17 This loan closed on February 21, 2006, with Borrowers S.D.V. paying Respondent Kinder a  
18 mortgage broker fee of \$3,500, a processing fee of \$500, a packaging fee of \$129 and a yield spread  
19 premium of \$1,113.50 for a total in fees of \$5,243.34.  
20

21 **E. 15907 Puyallup 2<sup>nd</sup> Mortgage.** On February 15, 2006, Borrowers S.D.V. signed  
22 an application for a residential mortgage loan (2<sup>nd</sup> mortgage) for their rental property at 15907 in  
23 Puyallup, Washington. The loan application was taken by Respondent Kinder and was a full  
24 document loan. Respondent Kinder did not sign and date the loan application, but his assistant Tamara  
25 Heiter signed the application in his place. Tamara Heiter was not a loan originator for Respondent

1 Kinder at the time this application was taken. The application stated the loan was for the purpose of  
2 refinancing a primary residence.

3 At the time this loan application was taken by Respondent Kinder, Borrowers S.D.V. owned a  
4 total of four properties. The other three properties were excluded from this application.

5 Respondent Kinder provided Borrowers S.D.V. with a GFE and a TIL on February 15, 2006.  
6 Both documents indicate they were prepared on June 14, 2005. The GFE provided to Borrowers  
7 S.D.V. disclosed, among other things, a mortgage broker fee of \$2,000 and a processing fee of \$300.  
8 No yield spread premium (YSP) was included in the GFE.  
9

10 Respondent Kinder provided no other disclosures to Borrowers S.D.V. Yet, the HUD1  
11 indicates Borrowers S.D.V. (loan closed March 21, 2006) were charged a \$2,200 mortgage broker fee,  
12 a \$300 processing fee, a \$920 yield spread premium for a total in fees paid to Respondent Kinder of  
13 \$3,420. In addition, this second mortgage contained a 3-year prepayment penalty, an impermissible  
14 loan term in Washington State.

15 **1.11 Borrowers C.W. and A.S.**

16 **A. 18602 Puyallup Refinance.** On February 12, 2005, Borrower C.W. signed an  
17 application for a residential mortgage loan for the purpose of refinancing his primary residence at  
18 18602 in Puyallup, Washington. The loan application was taken by Respondent Kinder and was a full  
19 document loan. Borrower C.W.'s income is listed in the application as \$3,604 per month working for  
20 Costco. Respondent Kinder did not sign and date the loan application. Respondent Kinder requested  
21 Borrower C.W.'s credit on February 12, 2005.  
22

23 Respondent Kinder provided Borrower C.W. with a GFE and a TIL on February 12, 2005. The  
24 GFE provided to Borrower C.W. disclosed, among other things, a mortgage broker fee of \$2,500, a  
25 processing fee of \$500, a packaging fee of \$100 and a yield spread premium of "1%." The YSP was

1 never pointed out or explained by Respondent Kinder to Borrower C.W. that it was a fee he would pay  
2 over the length of the loan due to a higher interest rate.

3 This loan closed on March 15, 2005, with Borrower C.W. paying Respondent Kinder a  
4 mortgage broker fee of \$2,508, a processing fee of \$500, a packaging fee of \$100 and a yield spread  
5 premium of \$1,710 for a total in fees of \$4,818.

6 **B. 18208 Puyallup Purchase.** On April 13, 2005, Borrower C.W. and his fiancé A.S.  
7 signed an application for a residential mortgage loan for the purpose of purchasing their primary  
8 residence at 18208 in Puyallup, Washington. Borrower C.W.'s income is listed in the application as  
9 \$4,357 per month working for Costco. The loan application was taken by Respondent Kinder and was  
10 a full document loan. Respondent Kinder did not sign and date the loan application.

11 Respondent Kinder provided Borrowers C.W and A.S a GFE and TIL on April 13, 2005. The  
12 GFE provided to Borrowers C.S. and A.S disclosed, among other things, a mortgage broker fee of  
13 \$3,000, a processing fee of \$500, a packaging fee of \$100 and a yield spread premium of "up to 2pts."  
14 The YSP was never pointed out or explained by Respondent Kinder to Borrower C.W. and A.S. that it  
15 was a fee they would pay over the length of the loan due to a higher interest rate.

16 This loan closed on April 29, 2005, with Borrowers C.W. and A.S. paying Respondent Kinder  
17 a mortgage broker fee of \$3,640, and a yield spread premium of \$5,410.26 for a total in fees of  
18 \$9,050.26.

19 **C. 7904 Bonney Lake Purchase.** On August 5, 2005, Borrower C.W. signed an  
20 application for a residential mortgage loan for the purpose of purchasing an investment property at  
21 7904 in Bonney Lake, Washington. The loan application was taken by Respondent Kinder and was a  
22 stated income loan. Respondent Kinder did not sign and date the loan application. Respondent Kinder  
23 requested Borrower C.W.'s credit on August 4, 2005. Borrower C.W. had entered into a Purchase and  
24  
25

1 Sales Agreement to buy this home on July 27, 2005. Respondent Kinder was the real estate agent  
2 representing Borrower C.W. with this purchase.

3 The application indicates Borrowers C.W.'s income is \$7,800 per month. The income level is  
4 inflated. Borrower C.W. did not know Respondent Kinder had listed his income on the application as  
5 \$7,800 and did not know this loan was a stated income loan.

6 This loan closed on August 25, 2005, with Borrower C.W. paying Respondent Kinder a  
7 mortgage broker fee of \$2,000, a processing fee of \$1,000 for a total in fees of \$3,000.

8 **D. 10700 Tacoma Purchase.** On September 8, 2005, Borrower C.W. signed an  
9 application for a residential mortgage loan for the purpose of purchasing an investment property at  
10 10700 in Tacoma, Washington. The loan application was taken by Respondent Kinder and was a  
11 stated income loan. There is no income figure listed in the application for Borrower C.W. Respondent  
12 Kinder did not sign and date the loan application. Respondent Kinder requested Borrowers S.D.V.'s  
13 credit on August 4, 2005. Borrower C.W. had entered into a Purchase and Sales Agreement to buy  
14 this home on July 22, 2005. Respondent Kinder was the real estate agent representing Borrower C.W.

15 On November 14, 2005, Borrower C.W. submitted a second loan application for the 10700  
16 Tacoma, WA property to Respondent Kinder. This application was presumably taken by Victor  
17 Berdecia, but he did not sign and date the application and an office assistant did it for him. This  
18 application states Borrower C.W. is working for Cash Flow Alternatives Inc. making \$12,000 per  
19 month. Borrower C.W. was working for Costco when this loan was applied for in September but quit  
20 to work for Respondent Kinder. Borrower C.W. was working for Respondent Kinder when the second  
21 application was submitted to the lender. Borrower C.W. has never worked for Cash Flow Alternatives  
22 and was not making \$12,000 per month when the loan was submitted. Borrower C.W. was not aware  
23  
24  
25

1 the application contained this information. Respondent Kinder provided Borrower C.W. with a GFE  
2 and a TIL on September 8, 2005.

3 This loan closed on November 18, 2005, with Borrower C.W. paying Respondent Kinder a  
4 mortgage broker fee of \$3,423.20, a processing fee of \$800 and a packaging fee of \$100 for a total in  
5 fees of \$4,423.20.

6 **E. 18724 Puyallup Purchase.** On October 6, 2005, Borrowers A.S. (Borrower C.W.'s  
7 fiancé) signed an application for a residential mortgage loan for the purpose of purchasing an  
8 investment property at 18724 in Puyallup, Washington. The loan application was taken by  
9 Respondent Kinder. Respondent Kinder requested Borrower A.S.'s credit on September 26, 2005.  
10 Borrower A.S. had entered into a Purchase and Sales Agreement to buy this home on September 25,  
11 2005. Respondent Kinder was the real estate agent representing Borrower A.S. Respondent Kinder  
12 provided Borrower A.S. with a GFE and a TIL on October 6, 2005.

14 While Borrower A.S. had expressed to Respondent Kinder the purpose of the purchase was an  
15 investment property, Respondent Kinder listed it as an owner-occupied home on the loan application.  
16 Respondent Kinder omitted the 18208 Puyallup property loan (addressed above) from the application.

17 This loan closed on November 17, 2005 with Borrower A.S. paying Respondent Kinder a  
18 mortgage broker fee of \$3,000, a processing fee of \$800 and a packaging fee of \$200 for a total in fees  
19 of \$4,000.

20 **1.12 Borrower R.N.**

21 **A. 38216 Auburn Refinance.** On December 12, 2005, Borrower R.N. signed an  
22 application for a residential mortgage loan (a first and a second) for the purpose of refinancing his  
23 primary residence at 38216 in Auburn, Washington. The loan applications were taken by Respondent  
24 Kinder and were to be full document loans, but the first mortgage loan was later changed to a stated  
25



1 income loan. Respondent Kinder did not sign and date the second mortgage loan application.

2 Respondent Kinder requested Borrower R.N.'s credit on December 12, 2005.

3       The first mortgage loan application taken by Respondent Kinder initially states Borrower R.N.  
4 has a monthly income of \$5,300. This amount is consistent with what Borrower R.N. was making  
5 when he applied for the loan. However, a subsequent first mortgage loan application indicates  
6 Borrower R.N. makes \$7,100 per month. Borrower R.N. was not aware this income figure was placed  
7 on the application and did not make that amount of salary at the time.

8       The second mortgage loan application taken by Respondent Kinder indicates Borrower R.N.  
9 made \$6,900 per month in income. Borrower R.N. did not know this amount was stated in the  
10 application and did not make that much at the time.

11       Respondent Kinder provided Borrower R.N. with a GFE and a TIL on December 12, 2005.  
12 The initial GFE disclosed, among other things, a mortgage broker fee or \$2,400, a processing fee of  
13 \$500, a packaging fee of \$100 and a YSP of "up to 2 pts." The YSP was never pointed out or  
14 explained by Respondent Kinder to Borrower R.N. that it was a fee they would pay over the length of  
15 the loan due to a higher interest rate.

16       Respondent Kinder provided Borrower R.N. with another GFE and a TIL on January 17, 2006.  
17 Both documents indicate they were prepared on December 12, 2005. The GFE provided to Borrower  
18 R.N. disclosed, among other things, a mortgage broker fee of \$2,480, a processing fee of \$500, a  
19 packaging fee of \$100 and a yield spread premium of "up to 2.25 pts." The YSP was never pointed  
20 out or explained by Respondent Kinder to Borrower R.N. that it was a fee he would pay over the  
21 length of the loan due to a higher interest rate.

22       This first mortgage loan closed on January 30, 2006, with Borrower R.N. paying Respondent  
23 Kinder a mortgage broker fee of \$2,480, a processing fee of \$500, a packaging fee of \$100 and a yield  
24  
25

1 spread premium of \$4,960 for a total in fees of \$8,040. The second mortgage loan closed on February  
2 15, 2006, with Borrower R.N. paying Respondent Kinder a total in fees of \$400.

3 **B. 405 Buckley Purchase.** On May 2, 2007, Borrower R.N. signed an application for a  
4 residential mortgage loan for the purpose of purchasing his primary residence at 405 in Buckley,  
5 Washington. The loan application was taken by Respondent Kinder and was to be a stated income  
6 loan. Respondent Kinder did not sign and date the mortgage loan application. Respondent Kinder  
7 requested Borrower R.N.'s credit on April 25, 2007. The loan was being "shopped" around to a  
8 number of different lenders on April 27, 2007.

9  
10 The loan application taken by Respondent Kinder states Borrower R.N. had a monthly income  
11 of \$9,155. This amount is not consistent with what Borrower R.N. was making when he applied for  
12 the loan. Borrower R.N. was not aware this income figure was placed on the application and did not  
13 make that amount of salary at the time.

14 Respondent Kinder provided Borrower R.N. with a GFE and a TIL on May 2, 2007. Both  
15 documents indicate they were prepared on April 25, 2007.

16 The May 2, 2007, GFE disclosed, among other things, a mortgage broker fee or \$1,000, a  
17 processing fee of \$500, a packaging fee of \$100 and a YSP of "up to 2.5 pts." The YSP was never  
18 pointed out or explained by Respondent Kinder to Borrower R.N. that it was a fee they would pay over  
19 the length of the loan due to a higher interest rate.

20 Respondent Kinder provided Borrower R.N. with another GFE and a TIL on June 12, 2007  
21 (two days before the loan closed). Both documents indicate they were prepared on April 25, 2007.  
22 The new GFE provided to Borrower R.N. disclosed, among other things, a mortgage broker fee of  
23 \$1,000, a processing fee of \$500, a packaging fee of \$100 and a yield spread premium of "up to 3.375  
24  
25

pts.” The YSP was never pointed out or explained by Respondent Kinder to Borrower R.N. that it was a fee he would pay over the length of the loan due to a higher interest rate.

Prior to the loan closing, Respondent Kinder informed Borrower R.N. that he only qualified to borrow \$289,000 toward the purchase of a home. The 405 Buckley home had a sales price of \$304,950. Borrower R.N. did not have enough cash to make up the difference, so prior to closing, Respondent Kinder loaned Borrower R.N. \$15,248 to bring to closing. Respondent Kinder secured his loan of \$15,248, with an interest in the 38216 Auburn home. Borrower R.N. has been making monthly payments to Respondent Kinder in an effort to repay Respondent Kinder’s loan since the mortgage loan closed on June 14, 2007. Borrower R.N. continues to make these payments as of the date of this document.

This loan closed on June 14, 2007, with Borrower R.N. paying Respondent Kinder a mortgage broker fee of \$1,000, a processing fee of \$500, a packaging fee of \$100 and a yield spread premium of \$10,863.75 for a total in fees of \$12,463.75.

### **1.13 Borrower D.S.**

**A. 5745 Port Orchard Purchase.** On June 2, 2005, Borrower D.S. signed an application for a residential mortgage loan for the purpose of purchasing an investment property at 5745 in Port Orchard, Washington. The loan application was taken by Respondent Kinder and was to be a stated income loan. Respondent Kinder did not sign and date the mortgage loan application. Respondent Kinder requested Borrower D.S.’s credit on June 2, 2005. A Purchase and Sale Agreement had been entered between Borrower D.S. and the seller of the property on April 24, 2005, with Respondent Kinder acting as Borrower D.S.’s agent.

The loan application taken by Respondent Kinder states Borrower D.S. had a monthly income of \$12,000. This amount is not consistent with what Borrower D.S. was making when he applied for

1 the loan. Borrower D.S. was aware this income figure was placed on the application and questioned  
2 Respondent Kinder about the incorrect amount and was told that is the way it is done and not to worry  
3 about it.

4 The loan application also indicates the purchase is for a primary residence although it was  
5 intended by Borrower D.S. as an investment property.

6 The loan application lists Borrower D.S.'s employer as Advanced Diagnostics. When  
7 Borrower D.S. applied for this loan he was not working for Advanced Diagnostics.

8 Respondent Kinder provided Borrower D.S. with a GFE and a TIL on June 2, 2005,  
9 (unsigned). The June 2, 2005, GFE disclosed, among other things, a mortgage broker fee or \$3,500, a  
10 processing fee of \$800, a packaging fee of \$200 and a YSP of "up to 2 pts." The YSP was never  
11 pointed out or explained by Respondent Kinder to Borrower D.S. that it was a fee he would pay over  
12 the length of the loan due to a higher interest rate.

13 Respondent Kinder provided Borrower D.S. with a revised GFE and a TIL on June 22, 2005,  
14 five days before the loan closed. The revised GFE provided to Borrower D.S. disclosed, among other  
15 things, a mortgage broker fee of \$3,500, an increased processing fee of \$1,000, and a yield spread  
16 premium of "up to 2 pts." The YSP was never pointed out or explained by Respondent Kinder to  
17 Borrower D.S. that it was a fee he would pay over the length of the loan due to a higher interest rate.

18 This loan closed on June 27, 2005, with Borrower D.S. paying Respondent Kinder a mortgage  
19 broker fee of \$3,500, a packaging fee of \$1,000, and a yield spread premium of \$3,103 for a total in  
20 fees of \$7,603.

21  
22  
23 **B. 3501 Gig Harbor Refinances.**

24 i. **2005 Refinance.** On October 20, 2005, Borrower D.S. signed an application  
25 for a residential mortgage loan for the purpose of refinancing his primary residence at 3501 in Gig

1 Harbor, Washington. The loan application was taken by Respondent Kinder and was to be a stated  
2 income loan. Respondent Kinder did not sign and date the mortgage loan application.

3 The loan application taken by Respondent Kinder states Borrower D.S. had a monthly income  
4 of \$11,000. This amount is not consistent with what Borrower D.S. was making when he applied for  
5 the loan. Borrower D.S. was aware this income figure was placed on the application and questioned  
6 Respondent Kinder about the incorrect amount and was told that is the way it is done and not to worry  
7 about it.

8 The loan application lists Borrower D.S.'s employer as Advanced Diagnostics. When  
9 Borrower D.S. applied for this loan he was not working for Advanced Diagnostics.  
10

11 This loan closed on December 2, 2005, with Borrower D.S. paying Respondent Kinder a  
12 processing fee of \$500, an application fee of \$100 for a total in fees of \$600.

13 ii. **2006 Refinance.** On April 14, 2006, Borrower D.S. again signed an application  
14 for a residential mortgage loan for the purpose of refinancing his primary residence at 3501 in Gig  
15 Harbor, Washington. The loan application was taken by Respondent Kinder and was to be a stated  
16 income loan. Respondent Kinder did not sign and date the mortgage loan application.

17 The loan application taken by Respondent Kinder states Borrower D.S. had a monthly income  
18 of \$15,327. This amount is not consistent with what Borrower D.S. was making when he applied for  
19 the loan. Borrower D.S. was aware this income figure was placed on the application and questioned  
20 Respondent Kinder about the incorrect amount and was told that is the way it is done and not to worry  
21 about it.

22 The loan application lists Borrower D.S.'s employer as Advanced Diagnostics. When  
23 Borrower D.S. applied for this loan he was not working for Advanced Diagnostics.  
24  
25

1 Respondent Kinder provided Borrower D.S. with a GFE and a TIL on April 14, 2006. The  
2 April 14, 2006, GFE disclosed, among other things, a processing fee of \$300 and a packaging fee of  
3 \$100. There is no mention of a YSP.

4 This loan closed on or about May 16, 2006, with Borrower D.S. paying Respondent Kinder a  
5 packaging fee of \$100, processing fee of \$300, and a previously undisclosed YSP of \$123.75 for a  
6 total in fees of \$523.75.

7  
8 **1.14 Borrower B.P.**

9 **A. 9408 Graham Refinance.** On June 15, 2005, Borrower B.P. signed an application for  
10 a residential mortgage loan for the purpose of refinancing his primary residence at 9408 in Graham,  
11 Washington. The loan application was taken by Respondent Kinder and was a full document loan.  
12 Respondent Kinder did not sign and date the mortgage loan application.

13 Respondent Kinder provided Borrower B.P. with a GFE and a TIL on June 15, 2005. The GFE  
14 disclosed, among other things, a mortgage broker fee of \$8,280, a processing fee of \$500 and a  
15 packaging fee of \$100. There is no mention of a YSP.

16 A second GFE was generated on August 14, 2005, but there is no indication it was provided to  
17 Borrower B.P. This GFE disclosed, among other things, a mortgage broker fee of \$12,116.40, a  
18 processing fee of \$800, a packaging fee of \$200 and a YSP of "up to 2 pts." This GFE was generated  
19 two days prior to the loan closing.

20 This loan closed on August 16, 2006, with Borrower B.P. paying Respondent Kinder a  
21 mortgage broker fee of \$12,116.40, a processing fee of \$800, a packaging fee of \$200, and a  
22 previously undisclosed YSP of \$5,520 for a total in fees of \$18,636.40.

23  
24 **B. 8324 Puyallup Purchase.** On July 26, 2005, Borrower B.P. signed an application for a  
25 residential mortgage loan for the purpose of purchasing an investment property at 8324 in Puyallup,

1 Washington. The loan application was taken by Respondent Kinder and was a full document loan.  
2 Respondent Kinder did not sign and date the mortgage loan application.

3 Respondent Kinder presented this loan to the lender as an owner-occupied home, although it  
4 was being purchased for the sole purpose of being made into a rental. This loan was applied for while  
5 the refinance of Borrower B.P.'s primary residence (9408 Graham – outlined above) was being  
6 refinanced. Respondent Kinder listed the 9408 Graham residence as a rental property on the 8324  
7 Puyallup loan application.

8 Respondent Kinder provided Borrower B.P. a GFE on July 29, 2005, that indicated a YSP "of  
9 up to 1 points" would be paid from the lender to Respondent Kinder.  
10

11 This loan closed on August 3, 2006, with Borrower B.P. paying Respondent Kinder a mortgage  
12 broker fee of \$3,200, a processing fee of \$500, a packaging fee of \$100, and a YSP of \$2,176 for a  
13 total in fees of \$5,976.

14 **C. 21 Group Investment.** Borrower B.P. entered into an agreement with Respondent  
15 Kinder to work at America First Mortgage as a loan originator in late 2005. Borrower B.P. worked for  
16 Respondent Kinder for roughly one year. Respondent Kinder enticed Borrower B.P. to invest in a  
17 select business known as the 21 Group. To become a member of the group, Borrower B.P. had to  
18 invest \$30,000 into the group. Borrower B.P. did this with promises from Respondent Kinder that the  
19 money would be used to purchase investment properties that would generate income over time.  
20 Borrower B.P. refinanced his primary residence to obtain the \$30,000 which he provided to  
21 Respondent Kinder. The 21 Group did not function as Respondent Kinder promised, and Borrower  
22 B.P. has received none of the benefits promised by Respondent Kinder. Borrower B.P. has requested  
23 Respondent Kinder return his \$30,000, but as of April 6, 2008, Respondent Kinder has not returned  
24 the \$30,000.  
25

1 **1.15 Borrower K.E.** On March 29, 2006, Borrower K.E signed an application for a residential  
2 mortgage loan for the purpose of purchasing a primary residence at 31818 in Auburn, Washington.  
3 The loan applications was taken by a loan originator working for Respondent Kinder. The loan closed  
4 on April 27, 2006. Prior to the loan documents being signed, the lender required proof that Borrower  
5 K.E. had cash reserves of \$4,000. Borrower K.E. did not have \$4,000 in cash for reserves. The loan  
6 originator working for Respondent Kinder provided \$3,000 to Borrower K.E. on April 26, 2006, so it  
7 would appear she had the necessary cash reserves. Respondent Kinder was aware of this transfer of  
8 funds between the loan originator and Borrower K.E. Borrower K.E. repaid the \$3,000 back to the  
9 loan originator after the closing documents were signed.  
10

11 **1.16 Borrower G.P.**

12 **A. March 2005, 29222 Graham Refinance.** On March 3, 2005, Borrower G.P. signed an  
13 application for a residential mortgage loan for the purpose of refinancing an investment property (a  
14 construction loan) at 9408 in Graham, Washington. The loan application was taken by Respondent  
15 Kinder and was a stated income loan. Respondent Kinder did not sign and date the mortgage loan  
16 application. Respondent Kinder presented this loan to the lender as an owner-occupied home although  
17 it was being built for the sole purpose of being sold on the open market and was not going to be  
18 occupied by Borrower G.P.

19 Respondent Kinder provided Borrower B.P. with a GFE and a TIL on March 3, 2005. The  
20 GFE disclosed, among other things, a mortgage broker fee of \$3,300, a processing fee of \$500, a  
21 packaging fee of \$100, and a YSP of "up to 1 pts." The YSP was never pointed out or explained by  
22 Respondent Kinder to Borrower B.P. that it was a fee he would pay over the length of the loan due to a  
23 higher interest rate. Borrower B.P. only learned of the YSP at closing when the escrow agent  
24 explained the fee to him. At that point, Borrower B.P. felt he had no choice but to sign the documents.  
25



1 This loan closed on March 16, 2005, with Borrower G.P. paying Respondent Kinder a  
2 mortgage broker fee of \$3,300, a processing fee of \$500, a packaging fee of \$100, and a YSP of  
3 \$3,085 for a total in fees of \$6,985.

4 **B. December 2005, 29222 Graham Refinance.** On October 28, 2005, Borrower G.P.  
5 signed an application for a residential mortgage loan for the purpose of refinancing the 29222 Graham,  
6 WA property again. The loan application was taken by Respondent Kinder and was a stated income  
7 loan. Respondent Kinder did not sign and date the mortgage loan application.

8 Respondent Kinder again presented this loan to the lender as an owner-occupied home  
9 although it was built by Borrower G.P. for the purpose of selling on the open market.

10 Respondent Kinder listed GEP Services as Borrower G.P.'s employer although it was not  
11 correct information. Borrower G.P. was working for Respondent Kinder at AFM when this loan  
12 application was submitted. GEP Services was a company Borrower G.P. had established for the  
13 purpose of managing his investment properties. GEP Services generated no income for Borrower G.P.

14 Respondent Kinder inflated the income of Borrower G.P. on this application stating  
15 Borrower G.P. had a monthly income of \$21,325.

16 **C. January 2006, 2<sup>nd</sup> Mortgage on 29222 Graham Residence.** On January 5, 2006,  
17 Borrower G.P. signed an application for a 2<sup>nd</sup> mortgage on the 29222 Graham, WA property. The loan  
18 application was taken by Respondent Kinder and was a stated income loan. Respondent Kinder did  
19 not sign and date the mortgage loan application.

20 Respondent Kinder again presented this loan to the lender as an owner-occupied home  
21 although it was built by Borrower G.P. for the purpose of selling on the open market.

22 Respondent Kinder listed GEP Services as Borrower G.P.'s employer although it was not  
23 correct information. Borrower G.P. was working for Respondent Kinder at AFM when this loan  
24  
25

1 application was submitted. Respondent Kinder inflated the income of Borrower G.P. on this  
2 application stating he had a monthly income of \$21,325.

3 In addition, Respondent Kinder had Borrower G.P. draft a letter to the lender stating he  
4 (Borrower G.P.) did not work for AFM and that he worked for GEP Services. This was prompted  
5 when a credit report revealed Borrower G.P. indicated he was working for AFM.

6 **D. 21 Group Investment.** Borrower G.P. entered into an agreement with Respondent  
7 Kinder to work at American First Mortgage as a loan originator in late 2005. Borrower G.P. worked  
8 for Respondent Kinder for roughly one year. Respondent Kinder enticed Borrower G.P. to invest in a  
9 select business know as the 21 Group. To become a member of the group, Borrower G.P. had to  
10 invest \$30,000 into the group. Borrower G.P. did this with promises from Respondent Kinder that the  
11 money would be used to purchase investment properties that would generate income over time.  
12 Borrower G.P. refinanced his 29222 investment property in March of 2005 (outlined above) to obtain  
13 the \$30,000 which he provided to Respondent Kinder. The 21 Group did not function as Respondent  
14 Kinder promised, and Borrower G.P. has received none of the benefits promised by Respondent  
15 Kinder. Borrower G.P. has requested Respondent Kinder return his \$30,000, but as of April 7, 2008,  
16 Respondent Kinder has not returned the \$30,000.

17  
18 **1.17 Borrowers A.D.D. 29228 Kent Purchase.** On June 19, 2006, Borrowers A.D.D. signed an  
19 application for a residential mortgage loan for the purpose of refinancing their primary residence at  
20 29228 in Kent, Washington. The loan application was initially taken by a loan originator working for  
21 AFM, but was later handled by Respondent Kinder when the loan originator left AFM. The loan was  
22 a stated income loan. Respondent Kinder did not sign and date the final loan application, but had it  
23 signed on behalf of the loan originator who was no longer working for AFM.  
24  
25

1 Respondent Kinder provided Borrowers A.D.D. with a GFE and a TIL on June 19, 2006. The  
2 GFE disclosed, among other things, a mortgage broker fee of \$6,000, a processing fee of \$500, a  
3 packaging fee of \$100 and a YSP of "up to 3 pts." The YSP was never pointed out or explained by  
4 Respondent Kinder to Borrowers A.D.D. that it was a fee they would pay the lender over the life of the  
5 loan due to a higher interest rate.

6 Respondent Kinder submitted this loan to the lender stating Borrowers A.D.D.'s income was  
7 \$14,500 per month. The income figures submitted to the lender were not correct. Borrowers A.D.D.  
8 initially filled out an application on June 19, 2006, with a correctly stated income of \$10,000 per  
9 month. The income figure on the final application submitted to the lender was done so without the  
10 knowledge of Borrower's A.D.D., and they are unaware of where this figure came from.

11 This loan closed on August 16, 2006, with Borrowers A.D.D. paying Respondent Kinder a  
12 mortgage broker fee of \$6,000, a processing fee of \$800, a packaging fee of \$100, and a YSP of  
13 \$8,250 for a total in fees of \$14,850.

14  
15 **1.18 Borrowers M.S.G.**

16 **A. 12848 Kirkland Refinance.** On September 11, 2006, Borrowers M.S.G. signed an  
17 application for a residential mortgage loan for the purpose of refinancing their primary residence at  
18 12848 in Kent, Washington. The loan application was taken by Respondent Kinder and was a full  
19 document loan. Respondent Kinder did not sign and date the loan application. Respondent Kinder  
20 requested Borrowers M.S.G.'s credit on August 29, 2006. A GFE and TIL were signed by Borrowers  
21 M.S.G. on September 11, 2006. Both documents indicate they were prepared on August 28, 2006.

22 The GFE disclosed, among other things, a mortgage broker fee of \$3,500, a processing fee of  
23 \$500, a packaging fee of \$100 and a YSP of "up to 3.95." The YSP was never pointed out or  
24  
25

1 explained by Respondent Kinder to Borrowers M.S.G. that it was a fee they would pay the lender over  
2 the life over the loan due to a higher interest rate.

3 This loan closed on September 25, 2006, with Borrowers M.S.G. paying Respondent Kinder a  
4 mortgage broker fee of \$3,500, a processing fee of \$500, a packaging fee of \$100, and a YSP of  
5 \$15,300 for a total in fees of \$19,400.

6 **B. 12403 Puyallup Purchase.** On November 27, 2006, Borrowers M.S.G. signed an  
7 application for a residential mortgage loan for the purpose of purchasing an investment property at  
8 12403 in Puyallup, Washington. The loan application was taken by Respondent Kinder and was a  
9 stated income loan. Respondent Kinder did not sign and date the loan application. A GFE and TIL  
10 were signed by Borrowers M.S.G. on November 27, 2006. Both documents indicate they were  
11 prepared on November 10, 2006.

12 The GFE disclosed, among other things, a mortgage broker fee of \$5,700, a processing fee of  
13 \$500, a packaging fee of \$100 and a YSP of "up to 1.75 pts." The YSP was never pointed out or  
14 explained by Respondent Kinder to Borrowers M.S.G. that it was a fee they would pay the lender over  
15 the life of the loan due to a higher interest rate.

16 Respondent Kinder submitted this loan to the lender as a stated income loan. Respondent  
17 Kinder stated Borrowers M.S.G.'s monthly income on the loan application as \$13,300 although this  
18 information was not correct. Respondent Kinder had recently closed the 12848 refinance (outlined  
19 above) for Borrowers M.S.G that showed their income was not close to \$13,300 per month.

20 Respondent Kinder did not disclose in his final application to the lender that Borrowers M.S.G.  
21 had applied for another loan on the same day, November 27, 2006, for the purchase of another  
22 investment property at 3829 in Tacoma, WA. Respondent Kinder submitted this loan to GreenPoint  
23 Mortgage while the 3829 property was submitted to Countrywide.  
24  
25

1 This loan closed on December 12, 2006, with Borrowers M.S.G. paying Respondent Kinder a  
2 mortgage broker fee of \$5,700, a processing fee of \$500, a packaging fee of \$100, and a YSP of  
3 \$5,173 for a total in fees of \$11,473.

4 **C. 3829 Tacoma Purchase.** On November 27, 2006, Borrowers M.S.G. signed an  
5 application for a residential mortgage loan for the purpose of purchasing an investment property at  
6 3829 in Tacoma, Washington. The loan application was taken by Respondent Kinder and was a stated  
7 income loan. Respondent Kinder did not sign and date the loan application. Another employee of  
8 AFM, who was not a loan originator, signed the application for Respondent Kinder. A GFE and TIL  
9 were signed by Borrowers M.S.G. on November 27, 2006.

10  
11 The GFE disclosed, among other things, a mortgage broker fee of \$7,339, a processing fee of  
12 \$500, a packaging fee of \$100 and a YSP of "up to 3.825 pts." The YSP was never pointed out or  
13 explained by Respondent Kinder to Borrowers M.S.G. that it was a fee they would pay the lender over  
14 the life of the loan due to a higher interest rate.

15 Respondent Kinder submitted this loan to the lender as a stated loan. Respondent Kinder  
16 stated Borrowers M.S.G.'s monthly income on the loan application as \$13,300 although this  
17 information was not correct. Respondent Kinder had recently closed the 12848 refinance (outlined  
18 above) for Borrowers M.S.G. that showed their income was not close to \$13,300 per month.

19 Respondent Kinder did not disclose in his final application to the lender that Borrowers M.S.G.  
20 had recently purchased the 12403 Puyallup residence on December 12, 2006. In addition, Respondent  
21 Kinder did not disclose that Borrowers M.S.G. had agreed to purchase another investment property at  
22 17217 in Puyallup, WA.  
23  
24  
25

1 This loan closed on January 12, 2007, with Borrowers M.S.G. paying Respondent Kinder a  
2 mortgage broker fee of \$7,339, a processing fee of \$500, a packaging fee of \$100, and a YSP of  
3 \$6,360.55 for a total in fees of \$14,299.55.

4 **D. 1201 Spanaway Purchase.** On or about December 21, 2006, Borrowers M.S.G. signed  
5 an application for a residential mortgage loan for the purpose of purchasing an investment property at  
6 1201 in Spanaway, Washington. The loan application was taken by a loan originator working for  
7 Respondent Kinder and was a stated income loan. A GFE and TIL were signed by Borrowers M.S.G.  
8 on December 21, 2006.

9  
10 The GFE disclosed, among other things, a mortgage broker fee of \$4,500, a processing fee of  
11 \$500, a packaging fee of \$100 and a YSP of "up to 2 points." The YSP was never pointed out or  
12 explained by Respondent Kinder to Borrowers M.S.G. that it was a fee they would pay the lender over  
13 the life of the loan due to a higher interest rate.

14 This loan was submitted to the lender as a stated loan. Borrowers M.S.G.'s monthly income on  
15 the loan application is stated as being \$13,300 per month. This information was submitted to the  
16 lender although it was not correct. Respondent Kinder had recently closed the 12848 refinance  
17 (outlined above) for Borrowers M.S.G that showed their income was not close to \$13,300 per month.

18 When the loan was submitted to the lender, the application did not disclose the 12403 Puyallup  
19 and 3829 Tacoma properties that had recently been purchased by Borrowers M.S.G.

20  
21 This loan closed on January 22, 2007, with Borrowers M.S.G. paying Respondent Kinder a  
22 mortgage broker fee of \$4,500, a processing fee of \$500, a packaging fee of \$100, and a YSP of  
23 \$2,458.75 for a total in fees of \$7,558.75.

24 **E. 17217 Puyallup Purchase.** On March 9, 2007, Borrowers M.S.G. signed an  
25 application for a residential mortgage loan for the purpose of purchasing an investment property at

1 17217 in Puyallup, Washington. The loan application was taken by a loan originator working for  
2 Respondent Kinder and was a stated income loan. The loan originator did not sign and date the  
3 application. A GFE and TIL were signed by Borrowers M.S.G. on March 9, 2007. A Purchase and  
4 Sale Agreement between Borrowers M.S.G. and the sellers was entered into on February 21, 2007.  
5 Mark Kinder was the real estate agent representing Borrowers M.S.G.

6 The GFE disclosed, among other things, a mortgage broker fee of \$4,500, a processing fee of  
7 \$500, a packaging fee of \$100 and a YSP of "up to 1.625 points." The YSP was never pointed out or  
8 explained by Respondent Kinder to Borrowers M.S.G. that it was a fee they would pay the lender over  
9 the life of the loan due to a higher interest rate.  
10

11 This loan was submitted to the lender as a stated loan. Borrowers M.S.G.'s monthly income on  
12 the loan application is stated as being \$17,000 per month. This information was submitted to the  
13 lender although it was not correct. Respondent Kinder had recently closed the 12848 refinance  
14 (outlined above) for Borrowers M.S.G that showed their income was not close to \$17,000 per month.

15 When the loan was submitted to the lender, Respondent Kinder did not disclose the 15409  
16 Puyallup property that had recently been purchase on March 8, 2007 (the loan was pending when this  
17 loan closed).

18 This loan closed on March 23, 2007, with Borrowers M.S.G. paying Respondent Kinder a  
19 mortgage broker fee of \$4,500, a processing fee of \$500, a packaging fee of \$100, and a YSP of  
20 \$3,222.38 for a total in fees of \$8,322.38.  
21

22 **F. 15409 Puyallup Purchase.** On March 17, 2007, Borrowers M.S.G. signed an  
23 application for a residential mortgage loan for the purpose of purchasing an investment property at  
24 15409 in Puyallup, Washington. The loan application was taken by a loan originator working for  
25

1 Respondent Kinder and was a stated income loan. A GFE and TIL were signed by Borrowers M.S.G.  
2 on March 17, 2007.

3 The GFE disclosed, among other things, a mortgage broker fee of \$3,500, a processing fee of  
4 \$500, a packaging fee of \$100 and a YSP of "up to 1.25 points." The YSP was never pointed out or  
5 explained by Respondent Kinder to Borrowers M.S.G. that it was a fee they would pay the lender over  
6 the life of the loan due to a higher interest rate.

7  
8 Respondent Kinder provided a second GFE to Borrowers M.S.G. on March 30, 2007. The new  
9 GFE discloses similar terms as the original GFE; however the YSP has now changed from "up to 1.25  
10 points" to "up to 2.5 points."

11 Borrowers M.S.G.'s income on this loan is listed as \$7,998 per month which is in direct conflict  
12 to the previous stated loans submitted by Respondent Kinder on behalf of Borrowers M.S.G. (see  
13 above).

14 The loan application submitted to the lender did not disclose the 17217 Puyallup property that  
15 was purchased by Borrowers M.S.G on March 23, 2007.

16 This loan closed on April 6, 2007, with Borrowers M.S.G. paying Respondent Kinder a  
17 mortgage broker fee of \$3,500, a processing fee of \$500, a packaging fee of \$100, and a YSP of  
18 \$7,650 for a total in fees of \$11,750.

19 **1.19 Borrowers C.J.D.**

20  
21 **A. 14703 Renton Refinance.** On October 11, 2006, Borrowers C.J.D. signed an  
22 application for a residential mortgage loan for the purpose of refinancing their primary residence at  
23 14703 in Renton, Washington. The loan application was taken by Respondent Kinder and was a full  
24 document loan. Respondent Kinder did not sign and date the loan application. Respondent Kinder  
25 requested Borrower R.N.'s credit on August 18, 2006.



1 Respondent Kinder provided Borrowers C.J.D. with a GFE and a TIL on October 11, 2006.  
2 The initial GFE disclosed, among other things, a mortgage broker fee of \$5,400, a processing fee of  
3 \$500, a packaging fee of \$100. There is no mention of a YSP.

4 Respondent Kinder provided Borrowers C.J.D with another GFE and a TIL on October 30,  
5 2006. Both documents indicate they were prepared on October 11, 2006. The GFE provided to  
6 Borrowers C.J.D disclosed, among other things, a mortgage broker fee of \$5,400, a processing fee of  
7 \$500, a packaging fee of \$100 and a yield spread premium of "up to 3.95." The YSP was never  
8 pointed out or explained by Respondent Kinder to Borrowers C.J.D. that it was a fee he would pay the  
9 lender over the length of the loan due to a higher interest rate.  
10

11 This loan closed on November 3, 2006, with Borrowers C.J.D paying Respondent Kinder a  
12 mortgage broker fee of \$5,400, a processing fee of \$500, a packaging fee of \$100 and a yield spread  
13 premium of \$19,980 for a total in fees of \$25,980.

14 **B. 4610 Spanaway Purchase.** On April 6, 2007, Borrowers C.J.D signed an application  
15 for a residential mortgage loan for the purpose of purchasing an investment property at 4610 in  
16 Spanaway, Washington. The loan application was taken by a loan originator working for Respondent  
17 Kinder and was a stated income loan. The loan originator did not sign and date the loan application.  
18 Respondent Kinder requested Borrowers C.J.D.'s credit on March 29, 2007. Borrowers C.J.D entered  
19 into a Purchase and Sale Agreement for the property on March 13, 2007. Respondent Kinder was the  
20 real estate agent who represented Borrowers C.J.D.  
21

22 Respondent Kinder provided Borrowers C.J.D with a GFE and a TIL on April 6, 2007. Both  
23 documents indicate they were prepared on March 30, 2007.

24 The GFE provided to Borrowers C.J.D disclosed, among other things, a mortgage broker fee of  
25 \$7,000, a processing fee of \$500, a packaging fee of \$100 and a yield spread premium of "up to

1 2.5%.” The YSP was never pointed out or explained by Respondent Kinder to Borrowers C.J.D that it  
2 was a fee they would pay the lender over the length of the loan due to a higher interest rate.

3 At the time this loan application was taken by Respondent Kinder, Borrowers C.J.D had  
4 submitted an additional loan application to Respondent Kinder for the purchase of an additional  
5 investment property. The home purchased (19508 in Graham, WA – included herein) was not  
6 included in this application when it was submitted to the lender for approval. Respondent Kinder  
7 submitted the two loans to different lenders simultaneously.

8 This loan closed on April 23, 2007, with Borrowers C.J.D paying Respondent Kinder a  
9 mortgage broker fee of \$7,000, a processing fee of \$500, a packaging fee of \$100 and a yield spread  
10 premium of \$8,312.50 for a total in fees of \$15,912.50.

11  
12 **C. 19508 Graham Purchase.** On April 6, 2007, Borrowers C.J.D. signed an application  
13 for a residential mortgage loan for the purpose of purchasing an investment property at 19508 in  
14 Graham, Washington. The loan application was taken by a loan originator working for Respondent  
15 Kinder and was a stated income loan. The loan originator did not sign and date the loan application.  
16 Respondent Kinder requested Borrowers C.J.D.’s credit on March 29, 2007. Borrowers C.J.D entered  
17 into a Purchase and Sale Agreement for the property on April 2, 2007. Respondent Kinder was the  
18 real estate agent who represented Borrowers C.J.D.

19 Respondent Kinder provided Borrowers C.J.D with a GFE and a TIL on April 6, 2007. Both  
20 documents indicate they were prepared on March 30, 2007.

21 The GFE provided to Borrowers C.J.D disclosed, among other things, a mortgage broker fee of  
22 \$5,652, a processing fee of \$500, a packaging fee of \$100 and a yield spread premium of “up to  
23 2.5%.” The YSP was never pointed out or explained by Respondent Kinder to Borrowers C.J.D that it  
24 was a fee they would pay the lender over the length of the loan due to a higher interest rate.  
25

1 At the time this loan application was taken by Respondent Kinder, Borrowers C.J.D had  
2 submitted an additional loan application to Respondent Kinder, for the purchase of an additional  
3 investment property. The home purchased (4610 in Spanaway, WA – see above) was not included in  
4 this application when it was submitted to the lender for approval. Respondent Kinder submitted the  
5 two loans to different lenders simultaneously.

6 Respondent Kinder provided Borrowers C.J.D. with a second GFE and TIL on May 5, 2007.  
7 The revised GFE disclosed, among other things, a mortgage broker fee of \$5,652, a processing fee of  
8 \$500, a packaging fee of \$100 and an increased yield spread premium of “up to 3.125%.” The YSP  
9 was never pointed out or explained by Respondent Kinder to Borrowers C.J.D that it was a fee they  
10 would pay the lender over the length of the loan due to a higher interest rate  
11

12 This loan closed on May 11, 2007, with Borrowers C.J.D paying Respondent Kinder a  
13 mortgage broker fee of \$5,652, a processing fee of \$500, a packaging fee of \$100 and a yield spread  
14 premium of \$8,831.25 for a total in fees of \$15,083.25.

15 **1.20 Quoting Unavailable Loan Programs.** During at least early 2005 and late 2007, Respondent  
16 Kinder quoted loan terms to borrowers that were not available when initially disclosed to the  
17 borrowers. As a result, the loan terms changed without the borrower’s knowledge, usually  
18 immediately prior to closing.

19 **1.21 Filing False Documents with the Department of Licensing.** As a real estate agent,  
20 Respondent Kinder is required to complete 30 hours of continuing education every two years in order  
21 to renew his real estate license. Respondent Kinder’s renewal was due in mid-May of 2007. In May  
22 2007, Respondent Kinder instructed the AFM Office Manager to complete an online real estate course  
23 on his behalf so he could satisfy his real estate license renewal requirements. The Office Manager  
24 took and passed the course on a computer in the office of AFM during business hours. This was  
25

1 witnessed by other employees of AFM. After completing the online course, the Office Manager  
2 printed the affidavit of completion that must be sent to the Department of Licensing. The Office  
3 Manager provided the affidavit to Respondent Kinder who signed it and sent it to the Department of  
4 Licensing despite having not taken the online course.

5 **1.22 Using Personal Funds to Qualify Borrowers.** Respondent Kinder allowed personal funds of  
6 a loan originator working for AFM to be given to a borrower for the purpose of making it appear to the  
7 lender that the borrower had cash reserves. Respondent Kinder used his personal funds, by way of a  
8 personal loan, to facilitate the purchase of a home by a borrower he originated the loan for.

9 **1.23 Submitting a False Continuing Education Certificate to the Department.** A certificate of  
10 satisfactory completion of an approved continuing education course by a licensee's Designated Broker  
11 is due to the Department no later than the last business day of the month in which the anniversary date  
12 of the issuance of the licensee's license occurs. In 2006, Respondent Kinder had a responsibility to  
13 compete his continuing education requirements, and he instructed an employee of Respondent Kinder  
14 to take an online continuing education class on his behalf. The employee took the class, successfully  
15 completed the class, and submitted the certificate of completion in Respondent Kinder's name as if he  
16 had taken the course himself.

17 **1.24 On-Going Investigation.** The Department's investigation into the alleged violations of the  
18 Act by Respondents continues to date. In addition, the Department anticipates additional complaints  
19 will be filed by consumers in the future. The Department may investigate any additional complaints  
20 received from consumers and may take appropriate action as necessary.

## 21 **II. GROUNDS FOR ENTRY OF ORDER**

22 **2.1 Prohibited Acts. Scheme, Device or Artifice to Defraud – Unfair or Deceptive Practices –**  
23 **Obtaining Property by Fraud or Misrepresentation – Exacerbating Conduct.** Based on the

1 Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW  
2 19.146.0201(1), (2), and (3) and WAC 208-660-500(3)(a)(b) and (c) for directly or indirectly  
3 employing a scheme, device or artifice to defraud or mislead borrowers or lenders or any person,  
4 engaging in an unfair or deceptive practice toward any person, or obtaining property by fraud or  
5 misrepresentation. The violations noted herein are the responsibility of Respondent Kinder. In most  
6 instances the violations were either committed by Respondent Kinder, committed at the direction of  
7 Respondent Kinder, or committed with the knowledge and acquiescence of Respondent Kinder.

8 **2.2 Prohibited Acts. Soliciting, Advertising or Entering Contracts When Terms Not**  
9 **Available – Making False or Deceptive Statements.** Based on the Factual Allegations set forth in  
10 Section I above, Respondents are in apparent violation of RCW 19.146.0201(5) and (7) for soliciting,  
11 advertising, or entering into a contract for specific interest rates, points, or other financing terms unless  
12 the terms are actually available at the time of soliciting, advertising, or contracting from a person  
13 exempt from licensing under RCW 19.146.020(1) (g) or (h) or a lender with whom the mortgage  
14 broker maintains a written correspondent or loan broker agreement under RCW 19.146.040 and for  
15 making, in any manner, any false or deceptive statement or representation with regard to the rates,  
16 points, or other financing terms or conditions for a residential mortgage loan or engaging in bait and  
17 switch advertising.  
18

19 **2.3 Prohibited Acts. Unauthorized and Prohibited Fees.** Based on the Factual Allegations set  
20 forth in Section I above, Respondents are in apparent violation of RCW 19.146.0201(11) (2004 and  
21 2006), (12) (2004), (13) (2006), (14) (2004) and (15) (2006), WAC 208-660-430, WAC 208-660-  
22 500(3)(u) and WAC 208-660-500(7) for failing to comply with any requirement of the Truth-in-  
23 Lending Act, 15 U.S.C. Sec. 1601 and Regulation Z, 12 C.F.R. Sec. 226; and the Real Estate  
24 Settlement Procedures Act, 12 U.S.C. Sec. 2601 and Regulation X, 24 C.F.R. Sec. 3500; for  
25

1 collecting, charging or attempting to collect or charge or use or propose any agreement purporting to  
2 collect or charge any fee prohibited by RCW 19.146.030 or 19.46.070; for failing to comply with any  
3 provision of RCW 19.146.030

4 Based on the Factual Allegations set forth in Section I above, Respondents are in apparent  
5 violation of RCW 19.146.030(4) for charging fees inuring to the benefit of a mortgage broker in  
6 excess of the fees disclosed on the initial written disclosures where the fees were reasonably  
7 foreseeable by the mortgage broker at the time the initial written disclosures were provided to  
8 borrowers, or where the mortgage broker failed to provide the borrowers, no less than three business  
9 days prior to the signing of the loan closing documents, a clear written explanation of the fees and the  
10 reason for charging fees exceeding those which were previously disclosed.

12 **2.4 Prohibited Acts. Requirement to Disclose Residential Mortgage Loan Fees.** Based on the  
13 Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW  
14 19.146.0201(6) (1994 and 2006), (10)(1994) and (11) (2006) and RCW 19.146.030, WAC 208-660-  
15 430, WAC 208-660-500(3)(n) and (w) and WAC 208-660-500(6) for failing to make disclosures to  
16 loan applicants and noninstitutional investors as required by RCW 19.146.030 and any other  
17 applicable state or federal law; for failing to provide borrowers with full written disclosures,  
18 containing an itemization and explanation of all fees and costs that the borrowers were required to pay  
19 in connection with obtaining a residential mortgage loan, within three days following receipt of a loan  
20 application or any moneys from the borrowers.

22 In many instances, given the dates Respondent Kinder requested borrower's credit reports, the  
23 preparation dates of the disclosures, and the absence of any information showing delivery or providing  
24 of the disclosures, Respondent Kinder did not provide timely disclosures. In addition, Respondent  
25 Kinder either did not disclose the YSP or did not properly disclose the YSP. On many occasions

1 Respondent Kinder never pointed out or explained the YSP to the borrowers leaving the borrowers to  
2 guess what the YSP fee would be, making it difficult to compare loan programs.

3 **2.5 Requirement to Maintain Accurate and Current Books and Records.** Based on the Factual  
4 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.060,  
5 WAC 208-660-140 and WAC 208-660-450 for failing to make accurate and current books and records  
6 readily available to the Department until at least twenty-five months have elapsed following the  
7 effective period to which the books and records relate.

8 **2.6 False Statement or Omission of Material Fact to the Department Regarding Completion**  
9 **of Continuing Education.** Based on the Factual Allegations set forth in Section I above, Respondents  
10 are in apparent violation of RCW 19.146.0201(8), RCW 19.146.215, WAC 208-660-270 (2006) and  
11 WAC 660-500(3)(i) and (p) for negligently making a false statement or knowingly and willfully  
12 making an omission of material fact in connection with any reports filed by a mortgage broker or in  
13 connection with an investigation conducted by the Department and for failing to complete the annual  
14 continuing education requirement and file a certificate of satisfactory completion no later than the last  
15 business day of the month in which the anniversary date of the issuance of the licensee's license  
16 occurs.  
17

### 18 **III. AUTHORITY TO IMPOSE SANCTIONS**

19 **3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2)(b)(iv) (1994), the Director  
20 may revoke a license for any violation of RCW 19.146.050 or RCW 19.146.0201(1) through (9) or  
21 (12). Pursuant to RCW 19.146.220(2)(e) (2006), the Director may revoke a license for any violation  
22 of the 2006 Act.  
23

24 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(2)(e)(i) (1994) and  
25 RCW 19.146.220(5)(a) (2006), the Director may issue orders removing from office or prohibiting

1 from participation in the conduct of the affairs of a licensed mortgage broker, or both, any officer,  
2 principal, employee, or loan originator of any licensed mortgage broker or any person subject to  
3 licensing under the Act for any violation of RCW 19.146.0201(1) through (9) or (12) (1994) and (13)  
4 (2006), RCW 19.146.030 (1994) and (2006), RCW 19.146.050 (1994) and (2006), or RCW  
5 19.146.200 (1994) and (2006).

6 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(c)(i) and (3) (1994), the Director  
7 may impose fines on a licensee, employee or loan originator of the licensee, or other person subject to  
8 the Act for any violations of RCW 19.146.0201(1) through (9) or (12) (1994), RCW 19.146.030, or  
9 RCW 19.146.050 (1994). Pursuant to RCW 19.146.220(2)(e) and (3) and (6) (2006) and WAC 208-  
10 660-530(6), the Director may impose daily fines up to \$100 per day per violation against licensees or  
11 other persons subject to the Act for any violation of the 2006 Act.

12 **3.4 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2)(d)(ii) (1994) the Director may  
13 order licensees or other persons subject to the Act to pay restitution to injured borrowers for any violation  
14 of the Act. Pursuant to RCW 19.146.220(2)(e) (2006) and WAC 208-660-430, the Director may order  
15 licensees or other persons subject to the Act to pay restitution for any violation of the Act.

16 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) (2006), WAC 208-  
17 660-520 and WAC 208-660-550(5)(a) (2006), the Department is entitled to collect the costs of any  
18 investigation of alleged violations of the Act. The investigation charge will be calculated at the rate of  
19 forty-eight (\$48) per hour that each staff person devoted to the investigation.  
20

#### 21 **IV. NOTICE OF INTENTION TO ENTER ORDER**

22 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as  
23 set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose  
24



Sanctions, 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:

- 4.1 Respondents Mark S. Kinder d/b/a American First Mortgage and Mark S. Kinder's license to conduct the business of a mortgage broker be revoked; and
- 4.2 Respondents Mark S. Kinder d/b/a American First Mortgage and Mark S. Kinder jointly and severally pay a fine of \$500,000; and
- 4.3 Respondents Mark S. Kinder d/b/a American First Mortgage and Mark S. Kinder jointly and severally pay restitution in an amount to be determined at hearing; and
- 4.4 Respondent Mark S. Kinder d/b/a American First Mortgage be prohibited from participation in the conduct of the affairs of any mortgage broker subject to licensure by the Director, in any manner, for a period of ten (10) years; and
- 4.5 Respondent Mark S. Kinder be prohibited from participation in the conduct of the affairs of any mortgage broker subject to licensure by the Director, in any manner, for a period of ten (10) years; and
- 4.6 Respondents Mark S. Kinder d/b/a American First Mortgage and Mark S. Kinder jointly and severally pay an investigation fee in the amount of \$12,000 calculated at \$48 per hour for the two hundred fifty (250) staff hours devoted to the investigation; and
- 4.7 Respondents maintain records in compliance with the Act and provide the Department with the location of the books, records and other information relating to Respondent Mark S. Kinder d/b/a American First Mortgage and Mark S. Kinder's mortgage broker business, and the name, address and telephone number of the individual responsible for maintenance of such records in compliance with the Act.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Amended Statement of Charges and Notice of Intention to Enter an Order to REVOKE  
3 LICENSE, PROHIBIT FROM INDUSTRY, IMPOSE FINE, ORDER RESTITUTION AND  
4 COLLECT INVESTIGATION FEE (Statement of Charges) is entered pursuant to the provisions of  
5 RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the  
6 provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a  
7 written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND  
8 OPPORTUNITY FOR HEARING accompanying this Statement of Charges.  
9

10 Dated this 21<sup>st</sup> day of November, 2008.  
11


12   
13

14 DEBORAH BORTNER  
15 Director  
16 Division of Consumer Services  
17 Department of Financial Institutions

18 Presented by:

19   
20 WILLIAM HALSTEAD  
21 Financial Legal Examiner

22 Approved by:

23   
24 JAMES R. BRUSSELBACK  
25 Enforcement Chief



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

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

MARK S. KINDER d/b/a AMERICA FIRST  
MORTGAGE,

Respondent.

NO. C-06-177-07-SC02

**AMENDED STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER  
AN ORDER TO REVOKE LICENSE, 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).

After conducting an investigation pursuant to RCW 19.146.235, and based upon the facts available as of February 15, 2007, the Director, through his designee, Deborah Bortner, Consumer Services Division Director issued Statement of Charges and Notice of Intention to Enter an Order to Revoke License, Impose Fine, Order Restitution, Prohibit from Industry, and Collect Investigation Fee C-06-177-07-SC01 (Statement of Charges SC01) on February 15, 2007. Respondent Mark S. Kinder d/b/a America First Mortgage was served with Statement of Charges SC01 on February 20, 2007. 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 December 4, 2007, 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 Revoke License, Impose Fine, Order Restitution, Prohibit from Industry, and Collect Investigation Fee C-06-177-07-SC02, which includes the following modifications: adding Paragraph 1.4; and modifying the Grounds for Entry of Order (Section II) and Notice of Intention to Enter Order (Section IV) pursuant to the modifications to the Factual Allegations in Paragraph 1.4.

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**I. FACTUAL ALLEGATIONS**

**1.1 Mark S. Kinder d/b/a America First Mortgage (Respondent)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on August 1, 1996. Respondent was licensed to conduct the business of a mortgage broker at 13507 Meridian Street East, Suite B, Puyallup, Washington 98373. Mark S. Kinder was a sole proprietor, and acted as the Designated Broker for Respondent.

**1.2 Failure to Respond to Directives.**

A. On July 25, 2005, the Department received a complaint from a third-party service provider alleging that Respondent failed to pay appraisal fees. On July 26, 2005, the Department issued a directive to Respondent requesting information regarding nonpayment, and requiring Respondent to complete a form by answering a series of questions under penalty of perjury. Respondent responded by letter dated September 2, 2005, but failed to complete the form as required. Accordingly, the Department issued a Resolution and Request for Action dated March 13, 2006, requiring Respondent to comply with the initial directive by completing the form as originally instructed. When Respondent failed to respond within the required timeframe, the Department sent a follow-up letter dated May 17, 2006, reminding Respondent that compliance was required. On June 13, 2006, the Department contacted Respondent regarding the directive. Respondent stated that he would provide a response within one week. To date, the Department has not received a response to the Resolution and Request for Action or the follow-up letter.

B. On March 31, 2006, the Department received a complaint from a Borrower alleging various violations of the Act. On May 4, 2006, the Department sent a directive to Respondent's last known address via first class mail. On May 31, 2006, Respondent called the Department, acknowledged receipt of the directive, and requested an extension until June 2, 2006. On June 28, 2006, the Department served a subpoena on Respondent compelling compliance with the original directive. The directive and subpoena both required the production of the following items:

A. The borrower's original (initial) signed application form.

- B. All disclosures required pursuant to RCW 19.146.030, RESPA, TIL, and ECOA.
- C. The Final HUD1 or HUD1A closing statement.
- D. The borrower's trust deposit check or receipt (if any).
- E. The note, if the loan closed.
- F. The Rate Sheet and Rate information.
- G. The appraisal order form.
- H. The first page of the credit report.
- I. The activity log.
- J. Any other documentation or explanation that will assist the Department in assessing the complaint.

To date, the Department has not received a response to the directive or subpoena.

### **1.3 Borrower's Complaint.**

Borrower's initial complaint included extensive documentation regarding the transaction at issue.

Because Respondent failed to respond or offer an explanation for the allegations contained in the complaint, the Department analyzed the allegations with the available information. Borrower's account of the events that transpired is as follows:

- A. In January 2006, Borrower approached Respondent to obtain a residential mortgage loan. It was mutually decided that Respondent would act as both mortgage broker and real estate salesperson for the purchase transaction. Respondent is licensed as a real estate salesperson with the Washington State Department of Licensing with a status of "Active." Borrower recalls receiving the disclosure required under RCW 19.146.0201(13)(b) when a mortgage broker also acts as a real estate salesperson in the course of a transaction.
- B. Respondent insisted that Borrower's purchase not be contingent on financing, which meant that Borrower's earnest money (\$2,500) was nonrefundable in the event he was unable to obtain satisfactory financing.
- C. In early February, Respondent informed Borrower that he would lock Borrower's loan at 5.87%. When Borrower received an initial good faith estimate (GFE) from Respondent, dated January 27, 2006, the interest rate shown on the GFE was 6%. Respondent claimed that he was unable to lock the lower rate without a purchase and sale agreement.

1 D. The initial GFE, dated January 27, 2006, reflected total closing costs of \$4,500.16. The  
2 second GFE, dated March 14, 2006, reflected a 6.5% interest rate and closing costs of  
3 \$5,079.30. By the time the second GFE was issued, the loan product had been changed to  
4 include a first and second mortgage. The GFE for the second mortgage loan, which was  
5 undated, reflected an interest rate of 9.875%, and closing costs of \$1,579.52.

6 E. At closing on March 17, 2006, the HUD-1 form for the first mortgage, bearing that same date,  
7 reflected total closing costs of \$7,025.40, which was \$1,946.10 more than the amount  
8 disclosed on the second recent GFE dated March 14, 2006.

9 F. At closing, Borrower decided to walk away from the loan. Consequently, Borrower lost his  
10 \$2,500 earnest money deposit.

11 **1.4 Prohibited Acts.** On April 10, 2007, Respondent submitted several documents, purported to have been  
12 signed by Borrower on January 27, 2006 but generated on February 14, 2006, to the Department in response to  
13 the Statement of Charges issued on February 15, 2007.

14 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by  
15 Respondent continues to date.

## 16 **II. GROUNDS FOR ENTRY OF ORDER**

17 **2.1 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondent is in  
18 apparent violation of RCW 19.146.0201(1), (2), (6), (7) and (8) for directly or indirectly employing a scheme,  
19 device or artifice to defraud or mislead borrowers or lenders or any person, engaging in an unfair or deceptive  
20 practice toward any person, obtaining property by fraud or misrepresentation, failing to make disclosures to  
21 loan applicants and non-institutional investors as required by RCW 19.146.030 and any other applicable state or  
22 federal law, and making, in any manner, any false or deceptive statement or representation with regard to the  
23 rates, points, or other financing terms or conditions for a residential mortgage loan or engaging in bait and  
24 switch advertising, and negligently making any false statement or knowingly and willfully making any omission  
25

1 of material fact in connection with any reports filed in connection with an investigation being conducted by the  
2 Department.

3 **2.2 Requirement to Disclose Residential Mortgage Loan Fees.** Based on the Factual Allegations set  
4 forth in Section I above, Respondent is in apparent violation of RCW 19.146.030 for failing to provide  
5 borrowers with full written disclosures, containing an itemization and explanation of all fees and costs that the  
6 borrowers were required to pay in connection with obtaining a residential mortgage loan, within three days  
7 following receipt of a loan application or any moneys from the borrowers.

8 **2.3 Requirement to Comply with Investigative Authority.** Based on the Factual Allegations set forth in  
9 Section I above, Respondent is in apparent violation of RCW 19.146.235 for failing to comply with the  
10 Director's authority to conduct investigations and examinations.

### 11 **III. AUTHORITY TO IMPOSE SANCTIONS**

12 **3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2)(b)(i), (ii), (iii) and (iv), and WAC  
13 208-660-160, the Director may revoke a license for false statements or omission of material information on the  
14 application that, if known, would have allowed the director to deny the application for the original license,  
15 failure to pay a fee required by the Director or maintain the required bond, failure to comply with any directive  
16 or order of the Director, any violation of RCW 19.146.050, RCW 19.146.060(3), RCW 19.146.0201(1) through  
17 (9) or (12), RCW 19.146.205(4), or RCW 19.146.265.

18 **3.2 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(c)(i) and (ii) and WAC 208-660-165, the  
19 Director may impose fines on a licensee, employee or loan originator of the licensee, or other person subject to  
20 the Act for any violations of RCW 19.146.0201(1) through (9) or (12), RCW 19.146.030 through RCW  
21 19.146.080, RCW 19.146.200, RCW 19.146.205(4), or RCW 19.146.265, or failure to comply with a directive  
22 or order of the Director.

23 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(d)(ii), the Director may issue orders  
24 directing a licensee, its employee or loan originator, or other person subject to the Act to pay restitution to an  
25 injured borrower.

1 **3.4 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(2)(e)(i), (ii), (iii) and (iv), the  
2 Director may issue orders removing from office or prohibiting from participation in the conduct of the affairs of  
3 a licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed  
4 mortgage broker or any person subject to licensing under the Act for any violation of RCW 19.146.020(1)  
5 through (9) or (12), RCW 19.146.030 through RCW 19.146.080, RCW 19.146.200, RCW 19.146.205(4), or  
6 RCW 19.146.265, false statements or omission of material information on the application that, if known, would  
7 have allowed the Director to deny the application for the original license, conviction of a gross misdemeanor  
8 involving dishonesty or financial misconduct or a felony after obtaining a license, or failure to comply with a  
9 directive or order of the Director.

10 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-060(4) and  
11 WAC 208-660-061, upon completion of any investigation of the books and records of a licensee or other person  
12 subject to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover  
13 the cost of the investigation. The investigation charge will be calculated at the rate of forty-seven dollars and  
14 seventy-eight cents (\$47.78) per hour that each staff person devoted to the investigation.

#### 15 **IV. NOTICE OF INTENTION TO ENTER ORDER**

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

20 **4.1** Respondent Mark S. Kinder d/b/a America First Mortgage's license to conduct the business of a  
21 mortgage broker be revoked.

22 **a.** Respondent Mark S. Kinder d/b/a America First Mortgage pay a fine of \$12,000.

23 **4.2** Respondent Mark S. Kinder d/b/a America First Mortgage pay restitution in the amount of \$2,500 to  
24 Borrower for directly or indirectly employing a scheme, device or artifice to defraud or mislead any  
25 person, engaging in an unfair or deceptive practice, failing to make disclosures as required, and making a  
false or deceptive statement or representation with regard to the rates, points, or other financing terms or  
conditions for a residential mortgage loan.



- 1 4.3 Respondent Mark S. Kinder be prohibited from participation in the conduct of the affairs of any mortgage  
broker subject to licensure by the Director, in any manner, for a period of seven (7) years.
- 2 4.4 Respondent Mark S. Kinder d/b/a America First Mortgage pay an investigation fee in the amount of  
3 \$2,353.16.
- 4 4.5 Respondent maintain records in compliance with the Act and provide the Department with the location of  
5 the books, records and other information relating to Respondent Mark S. Kinder d/b/a America First  
6 Mortgage's mortgage broker business, and the name, address and telephone number of the individual  
7 responsible for maintenance of such records in compliance with the Act.

#### V. AUTHORITY AND PROCEDURE


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

14 Dated this 6<sup>th</sup> day of December, 2007.

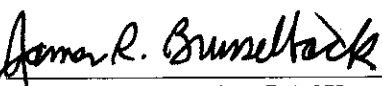
16   
17 DEBORAH BORTNER

18 Director  
19 Division of Consumer Services  
20 Department of Financial Institutions

21 Presented by:

22   
23 FATIMA BATIE  
24 Financial Legal Examiner Supervisor

25 Approved by:

  
JAMES R. BRUSSELBACK  
Enforcement Chief

