

Terms Completed

ORDER SUMMARY – Case Number: C-08-416

Name(s): Southwest Funding Group, Inc.
dba 1st National Home Lending
dba www.yourloansapproved.com;
Robert M. Howard

Order Number: C-08-416-09-CO01

Effective Date: June 1, 2009

License Number: DFI: 20639 [NMLS: 118543] –Southwest Funding
Or NMLS Identifier [U/L] DFI: 21751 [NMLS: 118323] –Robert Howard
(Revoked, suspended, stayed, application denied or withdrawn)
 If applicable, you must specifically note the ending dates of terms.

License Effect: none

Not Apply Until: n/a

Not Eligible Until: _____

Prohibition/Ban Until: n/a

Investigation Costs	\$187.20	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

Comments: _____

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

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

NO. C-08-416-09-CO01

SOUTHWEST FUNDING GROUP, INC., dba 1ST
NATIONAL HOME LENDING dba
WWW.YOURLOANSAPPROVED.COM and
ROBERT M. HOWARD, President and Designated
Broker,
Respondents.

CONSENT ORDER

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Southwest Funding Group, Inc. (hereinafter Respondent Southwest), Robert M. Howard, President and Designated Broker (hereinafter Respondent Howard), 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 have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-08-416-08-SC01 (Statement of Charges), entered December 23, 2008, (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 matter may be economically and efficiently settled by entry of this Consent Order. Respondents are agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

CONSENT ORDER
C-08-416-09-CO01
SOUTHWEST FUNDING GROUP, INC. dba 1ST
NATIONAL HOME LENDING dba
WWW.YOURLOANSAPPROVED.COM and
ROBERT M. HOWARD

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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 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, Respondents agree to withdraw their appeal and to inform the Office of Administrative Hearings in
8 writing of their withdrawal.

9 C. **Investigation Fee.** It is AGREED that Respondents shall pay to the Department an investigation fee
10 of \$187.20, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this
11 Consent Order.

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

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

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

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

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CONSENT ORDER
C-08-416-09-CO01
SOUTHWEST FUNDING GROUP, INC. dba 1ST
NATIONAL HOME LENDING dba
WWW.YOURLOANSAPPROVED.COM and
ROBERT M. HOWARD

1 **RESPONDENTS:**

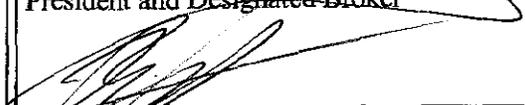
2 **Southwest Funding Group, Inc.**

3 By:

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5 Robert M. Howard
President and Designated Broker

5-20-09
Date

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7 Robert M. Howard
8 Individually

5-20-09
Date

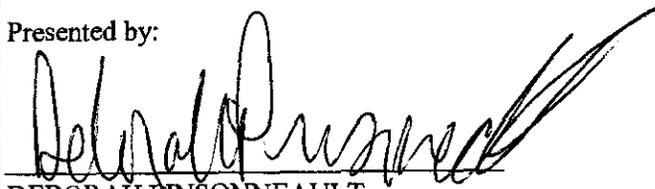
9 **DO NOT WRITE BELOW THIS LINE**

10 THIS ORDER ENTERED THIS 1st DAY OF June, 2009.

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12 **DEBORAH BORTNER**
13 Director
14 Division of Consumer Services
15 Department of Financial Institutions

16 Presented by:

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18 **DEBORAH PINSONNEAULT**
19 Financial Legal Examiner



20 Approved by:

21 

22 **JAMES R. BRUSSELBACK**
23 Enforcement Chief

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25 CONSENT ORDER
C-08-416-09-CO01
SOUTHWEST FUNDING GROUP, INC. dba 1ST
NATIONAL HOME LENDING dba
WWW.YOURLOANSAPPROVED.COM and
ROBERT M. HOWARD

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**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:

SOUTHWEST FUNDING GROUP INC dba 1ST
NATIONAL HOME LENDING dba
WWW.YOURLOANAPPROVAL.COM, AND
ROBERT M. HOWARD, President and
Designated Broker,

Respondents.

NO. C-08-416-08-SC01

STATEMENT OF CHARGES and NOTICE OF
INTENTION TO ENTER AN ORDER TO IMPOSE
FINE AND COLLECT INVESTIGATION FEE

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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)¹. After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as of this Statement of Charges, the Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

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I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. **Southwest Funding Group Inc. (Respondent Southwest)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on or about January 18, 1995, and continued to be licensed through December 31, 2007, when its license expired². Respondent Southwest renewed its license on January 8, 2008. Respondent Southwest was not licensed from January 1, 2008, through January 7, 2008.

B. **Robert M. Howard (Respondent Howard)** is the President and Designated Broker of Respondent Southwest. Respondent Howard obtained licensure as the Designated Broker of Respondent Southwest on November 15, 2006, and continues to be licensed to date.

¹ RCW 19.146 (2006).

² RCW 19.146.210(4).

1 **1.2 Untimely Renewal of Mortgage Broker License.** In order to continue conducting business in 2008,
2 Respondents were required to renew their mortgage broker license before January 1, 2008. Respondents did not
3 renew their mortgage broker license timely and as a result could not conduct the business of a mortgage broker
4 until their license was renewed on January 8, 2008.

5 **1.3 Unlicensed Activity.** Between January 1, 2008, and January 7, 2008, Respondents performed activity
6 that would require licensure as a mortgage broker under the Act.

7 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
8 Respondents continues to date.

9 II. GROUNDS FOR ENTRY OF ORDER

10 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(12) and WAC 208-660-006,
11 "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of compensation or
12 gain (a) makes a residential mortgage loan or assists a person in obtaining or applying to obtain a residential
13 mortgage loan or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a
14 person in obtaining or applying to obtain a residential mortgage loan.

15 **2.2 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents are in
16 apparent violation of RCW 19.146.0201(1), (2), and (3) for directly or indirectly employing a scheme, device or
17 artifice to defraud or mislead borrowers or lenders or any person, for engaging in an unfair or deceptive practice
18 toward any person, and for obtaining property by fraud or misrepresentation.

19 **2.3 Requirement to Obtain and Maintain License.** Based on the Factual Allegations set forth in Section
20 I above, Respondents are in apparent violation of RCW 19.146.200 for engaging in the business of a mortgage
21 broker without first obtaining and maintaining a license under the Act.

22 **2.4 Requirement to Timely Renew License and Refrain from Conducting Business.** Based on the
23 Factual Allegations set forth in Section I above, Respondents are in apparent violation of WAC 208-660-
24 163(16), (17), and (18) for continuing to conduct the business of a mortgage broker after failing to timely renew
25 a license under the Act.

1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(e), and (3)(a), the Director may impose
3 fines on a licensee, employee or loan originator of the licensee, or other person subject to the Act for any
4 violations of RCW 19.146.0201(1) through (9) or (13), RCW 19.146.030 through RCW 19.146.080, RCW
5 19.146.200, RCW 19.146.205(4), or RCW 19.146.265, or any violation of the Act.

6 **3.2 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-520, and WAC
7 208-660-550(5), upon completion of any investigation of the books and records of a licensee or other person subject
8 to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover the cost of
9 the investigation. The investigation charge will be calculated at the rate of \$48 per hour that each staff person
10 devoted to the investigation.

11 **IV. NOTICE OF INTENTION TO ENTER ORDER**

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

16 **4.1** Respondents Southwest Funding Group Inc. and Robert M. Howard jointly and severally pay a fine
17 of \$525 and;

18 **4.2** Respondents Southwest Funding Group Inc. and Robert M. Howard jointly and severally pay an
19 investigation fee, which as of the date of these charges is \$187.20 calculated at \$48 per hour for 3.9 staff
20 hours devoted to the investigation.

21 **V. AUTHORITY AND PROCEDURE**

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

1 **V. AUTHORITY AND PROCEDURE**

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

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9 Dated this 23rd day of December, 2008.



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

12 Presented by:

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15 DEBORAH PINSONNEAULT
Financial Legal Examiner

16 Approved by:

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19 JAMES R. BRUSSELBACK
Enforcement Chief

