

Terms Completed

ORDER SUMMARY – Case Number: C-09-305

Name(s): Homeowners Financial Services

Order Number: C-09-305-09-CO01

Effective Date: February 15, 2011

License Number: DFI: 19668

Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)
If applicable, you must specifically note the ending dates of terms.

License Effect: n/a

Not Apply Until: n/a

Not Eligible Until: _____

Prohibition/Ban Until: n/a

Investigation Costs	\$96	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$100	Due	Paid <input checked="" 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: _____

RECEIVED

FEB 14 2011

ENFORCEMENT UNIT
DIVISION OF CONSUMER SERVICES
DEPT OF FINANCIAL INSTITUTIONS

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:

NO. C-09-305-09-CO01

HOMEOWNERS FINANCIAL SERVICES,

CONSENT ORDER

Respondent.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Homeowners Financial Services (Respondent) and finding that the issues raised in the above-captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent have agreed upon a basis for resolution of the matters alleged in the Statement of Charges entered on September 9, 2009 (copy attached hereto). Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondent hereby agrees to the Department's entry of this Consent Order and further agrees that the issues raised in the above-captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges. Respondent is agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

Based upon the foregoing:

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

1 **B. Waiver of Hearing.** It is AGREED that Respondent has been informed of its right to a Brief
2 Adjudicative Proceeding (BAP), and that it hereby waives its right to a BAP and any and all administrative and
3 judicial review of the issues raised in this matter, or of the resolution reached herein. Accordingly, Respondent, by
4 the signature of its representative below, hereby withdraws its Request for Brief Adjudicative Proceeding.

5 **C. Fine.** It is AGREED that on February 1, 2011, the Department received payment of a fine of \$100 in the
6 form of a personal money order made payable to the "Washington State Treasurer."

7 **D. Investigation Fee.** It is AGREED that on February 1, 2011, the Department received payment of the
8 investigation fee of \$96, in the form of a personal money order made payable to the "Washington State Treasurer."
9 The fine and investigation fee may be paid together in one personal money order made payable to the "Washington
10 State Treasurer."

11 **E. Assurance of Compliance.** Respondent acknowledges and understands that RCW 19.146.290 and
12 WAC 208-660-400 require that an annual report of mortgage broker activity be provided to the Department by
13 March 31st of each year. Respondent, by the signatures of its representative below, assures that it will fully
14 comply with these above provisions.

15 **F. Authority to Execute Order.** It is AGREED that the undersigned Respondent has represented and
16 warranted that it has the full power and right to execute this Consent Order on behalf of the parties represented.

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

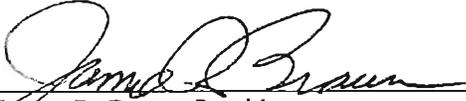
21 **H. Voluntarily Entered.** It is AGREED that the undersigned Respondent has voluntarily entered into this
22 Consent Order, which is effective when signed by the Director's designee.

23 **I. Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read this Consent
24 Order in its entirety and fully understands and agrees to all of the same.

1 **RESPONDENT:**

2 **Homeowners Financial Services**

3 By:

4 

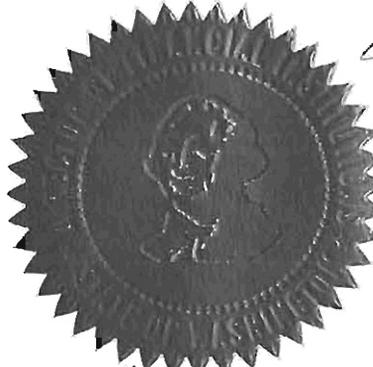
5 James R. Braun, President

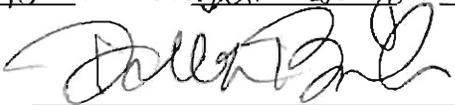
Date

2/10/2011

6
7 **DO NOT WRITE BELOW THIS LINE**

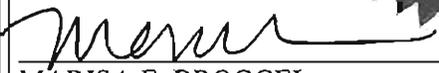
8
9 THIS ORDER ENTERED THIS 15th DAY OF February, 2011.



10 

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

15 Presented by:

16 

17 MARISA E. BROGGEL
18 Financial Legal Examiner

19 Approved by:

20 

21 FATIMA BATIE
22 Financial Legal Examiner Supervisor

1
2
3
4
5
6

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

7
8
9
10
11
12

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

NO. C-09-305-09-SC01

13
14
15
16
17
18
19
20
21
22
23
24
25

HOMEOWNERS FINANCIAL SERVICES,

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

Respondent.

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

I. FACTUAL ALLEGATIONS

1.1 Respondent Homeowners Financial Services (Respondent) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker at all times relevant to the conduct alleged.

1.2 Failure to Timely File Mortgage Broker Annual Report. By March 31, 2009, Respondent was required to file an annual report of mortgage broker activity to include the total number of closed loans originated and the total volume of closed loans originated. Respondent filed the 2008 mortgage broker annual report after April 30, 2009. Respondent also did not timely file the 2007 mortgage broker annual report.

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

//

//

//

STATEMENT OF CHARGES
Homeowners Financial Services
C-09-305-09-SC01

1

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

II. GROUNDS FOR ENTRY OF ORDER

2.1 Requirement to Timely File Mortgage Broker Annual Report. Based on the Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW 19.146.290(1) and WAC 208-660-400(1), (2), (3), and (4) for failing to timely file the mortgage broker annual report.

III. AUTHORITY TO IMPOSE SANCTIONS

3.1 Authority to Impose Fine. Pursuant to RCW 19.146.220(2)(e) the Director may impose fines on a licensee or other person subject to the Act for any violations of the Act.

3.2 Authority to Collect Investigation Fee. Pursuant to RCW 19.146.228(2), WAC 208-660-520, and WAC 208-660-550(4), upon completion of any investigation of the books and records of a licensee or other person subject to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover the cost of the investigation. The investigation charge will be calculated at the rate of \$48 per hour that each staff person devoted to the investigation.

IV. NOTICE OF INTENTION TO ENTER ORDER

Respondent’s violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose 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** Respondent Homeowners Financial Services pay a fine of \$1,500; and
- 4.2** Respondent Homeowners Financial Services pay an investigation fee, which as of the date of these charges is \$96 calculated at \$48 per hour for two staff hours devoted to the investigation.

//
//
//
//
//

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). Respondent may make a written request for a Brief Adjudicative
6 Proceeding as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR BRIEF
7 ADJUDICATIVE PROCEEDING accompanying this Statement of Charges.

8 Dated this 9th day of September, 2009.

9
10 

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

15 Presented by:

16 

17 FATIMA BATIE
18 Financial Legal Examiner Supervisor

19 Approved by:

20 

21 JAMES R. BRUSSELBACK
22 Enforcement Chief



1
2
3
4
5
6

**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:
HOMEOWNERS FINANCIAL SERVICES,
Respondent.

No. C-09-305-09-SC01

NOTICE OF OPPORTUNITY TO DEFEND
AND OPPORTUNITY FOR BRIEF
ADJUDICATIVE PROCEEDING

7 THE STATE OF WASHINGTON TO:

Homeowners Financial Services

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

YOU ARE HEREBY NOTIFIED that a STATEMENT OF CHARGES has been issued by the
Department of Financial Institutions, a true and correct copy of which is attached and made a part hereof.

YOU ARE HEREBY NOTIFIED that you may file a Request for Brief Adjudicative Proceeding before the
Washington State Department of Financial Institutions on the Statement of Charges. Service of this notice is
deemed complete upon deposit in the United States mail. YOUR REQUEST MUST BE RECEIVED BY THE
DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS FROM THE DATE YOU
RECEIVED THIS NOTICE. If you request a Brief Adjudicative Proceeding, you will be notified of the schedule
and oral argument, if any, at least seven (7) days in advance.

The Brief Adjudicative Proceeding will be as informal as is practical within the requirements of the
Administrative Procedure Act (see chapter 34.05 RCW). If you are limited English- speaking or hearing impaired,
you have the right to have an interpreter appointed at no cost to you, as discussed below.

INTERPRETER AVAILABILITY. If you are a person who, because of non-English-speaking cultural
background, cannot readily speak or understand the English language, or if you are a person who, because of a
hearing impairment or speech defect, cannot readily understand or communicate in spoken language, including
persons who are deaf, deaf and blind, or hard of hearing, AND YOU NEED AN INTERPRETER, then a qualified
interpreter will be appointed at no cost to you. You may request the appointment of a qualified interpreter by
indicating your request on the attached Request for Brief Adjudicative Proceeding form.

NOTICE OF OPPORTUNITY TO DEFEND
AND OPPORTUNITY FOR BRIEF
ADJUDICATIVE PROCEEDING

1

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

