

ORDER SUMMARY – Case Number: C-10-092

Name(s): Good Hands Loan Modification
Michael G. Dunagan

Order Number: C-10-092-14-FO01

Effective Date: June 17, 2014

License Number: n/a
Or NMLS Identifier [U/L]

License Effect: _____

Not Apply Until: June 17, 2019

Not Eligible Until: June 17, 2019

Prohibition/Ban Until: June 17, 2019

Investigation Costs	\$1,104	Due: 30 days	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$5,000	Due: 30 days	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Assessment(s)	\$	Due:	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$750	Due: 30 days	Paid <input type="checkbox"/> Y <input checked="" 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:

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-10-092-14-FO01

GOOD HANDS LOAN MODIFICATION,
a/k/a GOOD HANDS MODIFICATION
SERVICES, INC., a/k/a HELPING HANDS
LOAN MODIFICATION, and
MICHAEL G. DUNAGAN,
Owner,

FINAL ORDER

Respondents.

I. DIRECTOR'S CONSIDERATION

A. Default. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director), through his designee, Consumer Services Division Director Deborah Bortner (Director's designee), pursuant to RCW 34.05.440(1). On December 2, 2010, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention to Enter an Order to Prohibit from Industry, Impose Fine, Order Restitution, and Collect Investigation Fee (Statement of Charges) against Good Hands Loan Modification, aka Good Hands Loan Modification Services, Inc., aka Helping Hands Loan Modification, and Michael G. Dunagan, Owner (Respondents). A copy of the Statement of Charges is attached and incorporated into this order by this reference. The Statement of Charges was accompanied by a cover letter dated December 14, 2010, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents (collectively, accompanying documents).

On September 10, 2013, the Department served Respondents with the Statement of Charges and accompanying documents by First-Class mail and Federal Express overnight delivery at an

1 address in Lake Forest, California, verified by the United States Postal Service as an address where
2 Respondents received mail.¹ On September 11, 2013, the documents sent by Federal Express
3 overnight delivery were delivered. The documents sent by First-Class mail were not returned to the
4 Department by the United States Postal Service as undeliverable.

5 Respondents did not request an adjudicative hearing within twenty calendar days after the
6 Department served the Notice of Opportunity to Defend and Opportunity for Hearing, as provided for
7 in WAC 208-08-050(2).

8 B. Record Presented. The record presented to the Director's designee for her review and
9 for entry of a final decision included the following:

- 10 1. Statement of Charges, cover letter dated December 14, 2010, Notice of
11 Opportunity to Defend and Opportunity for Hearing, and blank Application for
Adjudicative Hearing for Respondent, with documentation for service.
- 12 2. Post Office Address Verification Request form completed by Lake Forest,
13 California, Branch Office of the United States Post Office received by the
Department on September 9, 2013.

14 C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(1), the
15 Director's designee hereby adopts the Statement of Charges, which is attached hereto.

16 II. FINAL ORDER

17 Based upon the foregoing, and the Director's designee having considered the record and being
18 otherwise fully advised, NOW, THEREFORE:

19 A. IT IS HEREBY ORDERED, That:

- 20 1. Respondent Good Hands Loan Modification, a/k/a Good Hands Modification
21 Services, Inc., a/k/a Helping Hands Loan Modification is prohibited from
22 participation in the conduct of the affairs of any mortgage broker subject to
licensure by the Director, in any manner, for a period of five years;

23
24 ¹ The Department made a prior unsuccessful attempt at service between December 2010 and January 2011, and was not able to locate Respondent Dunagan until August 2013.

2. Respondent Michael G. Dunagan is 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 five years;
3. Respondents Good Hands Loan Modification, a/k/a Good Hands Modification Services, Inc., a/k/a Helping Hands Loan Modification and Michael G. Dunagan jointly and severally shall pay a fine of \$5,000;
4. Respondents Good Hands Loan Modification, a/k/a Good Hands Modification Services, Inc., a/k/a Helping Hands Loan Modification and Michael G. Dunagan jointly and severally shall pay restitution in the amount of \$750 to borrower O.A.P.;
5. Respondents Good Hands Loan Modification, a/k/a Good Hands Modification Services, Inc., a/k/a Helping Hands Loan Modification and Michael G. Dunagan jointly and severally shall pay an investigation fee of \$1,104; and
6. Respondents Good Hands Loan Modification, a/k/a Good Hands Modification Services, Inc., a/k/a Helping Hands Loan Modification and Michael G. Dunagan shall maintain records in compliance with the Act and provide the Department with the location of the books, records and other information relating to Respondents' mortgage broker business, and the name, address and telephone number of the individual responsible for maintenance of such records in compliance with the Act.

B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia, Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for Reconsideration a prerequisite for seeking judicial review in this matter.

A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written notice specifying the date by which it will act on a petition.

1 C. Stay of Order. The Director's designee has determined not to consider a Petition to
2 Stay the effectiveness of this order. Any such requests should be made in connection with a Petition
3 for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

4 D. Judicial Review. Respondents have the right to petition the superior court for judicial
5 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for
6 filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

7 E. Non-compliance with Order. If you do not comply with the terms of this order,
8 including payment within 30 days of service of the financial obligations imposed, the Department
9 may seek its enforcement by the Office of the Attorney General to include the collection of the fine,
10 fee, and restitution imposed herein. The Department also may assign the amounts owed to a
11 collection agency for collection.

12 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial
13 Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
14 attached hereto.

15 DATED this 17th day of June, 2014.



17
18 STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

19 [Redacted Signature]
20 DEBORAH BORTNER
21 Director
22 Division of Consumer Services
23

**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-10-092-10-SC01

GOOD HANDS LOAN MODIFICATION,
a/k/a GOOD HANDS MODIFICATION
SERVICES, INC., a/k/a HELPING HANDS
LOAN MODIFICATION, and
MICHAEL G. DUNAGAN,
Owner,

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

Respondents.

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 the date of these 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 Respondents.

A. **Good Hands Loan Modification, a/k/a Good Hands Modification Services, Inc., a/k/a Helping Hands Loan Modification (Respondent Good Hands)** has never been licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a

¹ All references to RCW 19.146 are to that version of the Act in effect at the time of the unlicensed activity.

1 mortgage broker. Respondent Good Hands is alleged to have conducted business as a mortgage
2 broker from 26361 Crown Valley, Suite 250, Mission Viejo, California.

3 B. **Michael G. Dunagan (Respondent Dunagan)** is alleged to be an owner of
4 Respondent Good Hands. Respondent Dunagan has never been licensed by the Department as a
5 mortgage broker or loan originator.

6 **1.2 Unlicensed Activity.** Between at least July 15, 2009, and at least December 15, 2009,
7 Respondents assisted at least one borrower in applying to modify a residential mortgage loan on
8 property located in the State of Washington. Respondent received an advance fee of at least \$750 for
9 this service.

10 **1.3 Prohibited Acts.** On or about July 15, 2009, Respondents withdrew \$750 from the borrower's
11 bank account to pay for loan modification services. Respondents, however, did not provide the
12 contracted services and did not refund the borrower's fee.

13 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the
14 Act by Respondents continues to date.

15 II. GROUNDS FOR ENTRY OF ORDER

16 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(12) and WAC 208-660-006,
17 "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of
18 compensation or gain (a) makes a residential mortgage loan or assists a person in obtaining or
19 applying to obtain a residential mortgage loan or (b) holds himself or herself out as being able to make
20 a residential mortgage loan or assist a person in obtaining or applying to obtain a residential mortgage
21 loan. Pursuant to WAC 208-660-006, a person "'assists a person in obtaining or applying to obtain a
22 residential mortgage loan' by, among other things, counseling on loan terms (rates, fees, other costs),
23 [and] preparing loan packages...."

1 **2.2 Requirement to Obtain a Mortgage Broker License.** Based on the Factual Allegations set
2 forth in Section I above, Respondents are in apparent violation of RCW 19.146.200 for engaging in
3 the business of a mortgage broker for Washington residents or property without first obtaining a
4 license to do so.

5 **2.3 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents
6 are in apparent violation of RCW 19.146.0201(2) and (3) for engaging in an unfair and deceptive
7 practice towards any person and obtaining property by fraud or misrepresentation.
8

9 **III. AUTHORITY TO IMPOSE SANCTIONS**

10 **3.1 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(5)(a), the Director
11 may issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage
12 broker, or both, any officer, principal, employee, or loan originator of any person subject to licensing
13 under the Act for any violation of RCW 19.146.200.

14 **3.2 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(e), the Director may impose a fine
15 for any violation of the Act.

16 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2)(e), the Director may order
17 restitution for any violation of the Act.

18 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-660-
19 550, the Department may collect the costs of investigation. The investigation charge will be calculated at
20 the rate of \$48 per hour that each examiner devoted to the investigation.
21

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

23 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as
24 set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
25

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 Good Hands Loan Modification, a/k/a Good Hands Modification Services, Inc., a/k/a Helping Hands Loan Modification 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 five years;
- 4.2 Respondent Michael G. Dunagan 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 five years;
- 4.3 Respondents Good Hands Loan Modification, a/k/a Good Hands Modification Services, Inc., a/k/a Helping Hands Loan Modification and Michael G. Dunagan jointly and severally pay a fine which as of the date of these charges totals \$5,000;
- 4.4 Respondents Good Hands Loan Modification, a/k/a Good Hands Modification Services, Inc., a/k/a Helping Hands Loan Modification and Michael G. Dunagan jointly and severally pay restitution in the amount of \$750 to borrower O.A.P.;
- 4.5 Respondents Good Hands Loan Modification, a/k/a Good Hands Modification Services, Inc., a/k/a Helping Hands Loan Modification and Michael G. Dunagan jointly and severally pay an investigation fee which as of the date of these charges totals \$1,104, calculated at \$48 per hour for the 23 examiner hours devoted to the investigation to date; and
- 4.6 Respondents Good Hands Loan Modification, a/k/a Good Hands Modification Services, Inc., a/k/a Helping Hands Loan Modification and Michael G. Dunagan maintain records in compliance with the Act and provide the Department with the location of the books, records and other information relating to Respondents' 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 Statement of Charges and Notice of Intention to Enter an Order to Prohibit from Industry,
3 Impose Fine, Order Restitution, and Collect Investigation Fee (Statement of Charges) is entered
4 pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223, and
5 RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative
6 Procedure Act). Respondents may make a written request for a hearing as set forth in the NOTICE OF
7 OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
8 Statement of Charges.

9
10 *2nd December DB*
11 Dated this _____ day of November, 2010.



12 [Redacted Signature]
13
14 DEBORAH BORTNER
15 Director
16 Division of Consumer Services
17 Department of Financial Institutions

18 Presented by:

19 [Redacted Signature]
20 STEVEN C. SHERMAN
21 Financial Legal Examiner

22 Approved by:

23 [Redacted Signature]
24 JAMES R. BRUSSELBACK
25 Enforcement Chief