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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:  
  
JOURNEY FINANCIAL, INC.,  
  
Respondent.

No. C-10-173-11-FO01

FINAL ORDER

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 March 30, 2011, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention to Enter an Order to Impose Fine, Order Restitution, and Collect Investigation Fee (Statement of Charges) against Journey Financial, Inc. (Respondent). 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 March 31, 2011, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondent (collectively, accompanying documents).

On April 20, 2011, the Department served Respondent with the Statement of Charges and accompanying documents, sent by First-Class mail and Federal Express overnight delivery. On April 21, 2011, the documents sent via Federal Express overnight delivery were delivered. The documents sent via First-Class mail were not returned to the Department by the United States Postal Service as undeliverable.

Respondent did not request an adjudicative hearing within 20 calendar days after the Department served the Notice of Opportunity to Defend and Opportunity for Hearing, as provided for in WAC 208-08-050(2).

1 B. Record Presented. The record presented to the Director's designee for her review and for  
2 entry of a final decision included the Statement of Charges, cover letter dated March 31, 2011, Notice of  
3 Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing for  
4 Respondent, with documentation for service.

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

7 II. FINAL ORDER

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

10 A. IT IS HEREBY ORDERED, That:

- 11 1. Respondent Journey Financial, Inc. shall pay a fine of \$15,000.
- 12 2. Respondent Journey Financial, Inc. shall pay \$1,103.84 in restitution to the borrowers  
13 identified in Appendix A to this Final Order.
- 14 3. Respondent Journey Financial, Inc. shall pay an investigation fee of \$768.
- 15 4. Respondent Journey Financial, Inc., its officers, employees, and agents shall maintain  
16 records in compliance with chapter 19.146 RCW, the Mortgage broker Practices Act  
(Act) and provide the Director with the location of the books, records, and other  
17 information relating to Respondent's Mortgage Broker business, and the name,  
18 address, and telephone number of the individual responsible for maintenance of such  
19 records in compliance with the Act.

20 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a Petition  
21 for Reconsideration stating the specific grounds upon which relief is requested. The Petition must be filed  
22 in the Office of the Director of the Department of Financial Institutions by courier at 150 Israel Road SW,  
23 Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia, Washington 98504-1200,  
24 within ten (10) days of service of the Final Order upon Respondent. 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.

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

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

7 D. Judicial Review. Respondent has the right to petition the superior court for judicial  
8 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing  
9 a Petition for Judicial Review, see RCW 34.05.510 and sections following.

10 E. Non-compliance with Order. If you do not comply with the terms of this order, the  
11 Department may seek its enforcement by the Office of the Attorney General to include the collection of  
12 the fine, fee, and restitution imposed herein. The Department also may assign the amounts owed to a  
13 collection agency for collection.

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

17 DATED this 14<sup>th</sup> day of June, 2011



18  
19 STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS

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22 DEBORAH BORTNER  
Director  
Division of Consumer Services

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**RESTITUTION**

<b>Borrower</b>	<b>Loan Number</b>	<b>Amount</b>
D.A.	502554580	\$961.84
J.G.	5519030140	\$142.00
	<b>TOTAL</b>	<b>\$1,183.04</b>



1 **1.3 Failure to Specify Fees Benefitting the Company.** In eight loans, Respondent did not  
2 specify on the Good Faith Estimate all fees inuring to the benefit of the Respondent.

3 **1.4 Failure to Display Loan Originator License Number on Application.** In eight loans,  
4 Respondent did not include the loan originator's license number on the loan application.

5 **1.5 Failure to Provide Initial Rate Lock Disclosure.** In nine loans, Respondent's file contained  
6 no evidence that Respondent had provided an initial rate lock disclosure to the borrower within three  
7 business days of application.

8 **1.6 Failure to Provide Written Notice on Borrower-Paid Services.** In six loans, Respondent's  
9 file contained no evidence that Respondent had provided the borrower with the mandatory written  
10 notice stating that if the borrower is unable to obtain a loan for any reason, the mortgage broker must,  
11 within five days of a written request by the borrower, provide copies of any reports paid for by the  
12 borrower and transmit copies to any other mortgage broker or lender the borrower directs.

13 **1.7 Failure to Provide a Clear Written Explanation for Fee Increases.** In two loans,  
14 Respondent's file contains no evidence that Respondent had provided a clear written explanation for  
15 an increase in its fees from initial disclosure to closing.

16 **1.8 On-Going Investigation.** The Department's investigation into the alleged violations of the  
17 Act by Respondent continues to date.

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

19 **2.1 Responsibility for Conduct of Loan Originators.** Pursuant to RCW 19.146.245, a licensed  
20 mortgage broker is liable for any conduct violating the Act by the designated broker or a loan  
21 originator while employed or engaged by the licensed mortgage broker.

22 **2.2 Requirement to Disclose Fees Benefitting the Company.** Based on Factual Allegations set  
23 forth in Section I above, Respondent is in apparent violation of RCW 19.146.0201(2) and (6) and

1 RCW 19.146.030(1) for failing to specify within three business days of application all fees which  
2 inure to the benefit of the mortgage broker.

3 **2.3 Requirement to Provide Loan Originator License Number on Application.** Based on  
4 Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW  
5 19.146.0201(2) and WAC 208-660-350(26) for failing to display the loan originator's license number  
6 on loan applications.

7 **2.4 Requirement to Provide Initial Rate Lock Disclosure.** Based on Factual Allegations set  
8 forth in Section I above, Respondent is in apparent violation of RCW 19.146.0201(2) and (6) and  
9 RCW 19.146.030(2)(c) for failing to provide an initial rate lock disclosure to the borrower within  
10 three business days of application.

11 **2.5 Requirement to Provide Written Notice on Borrower-Paid Services.** Based on Factual  
12 Allegations set forth in Section I above, Respondent is in apparent violation of RCW 19.146.0201(2)  
13 and (6) and RCW 19.146.030(2)(d) for failing to provide the borrower with the mandatory written  
14 notice stating that if the borrower is unable to obtain a loan for any reason, the mortgage broker must,  
15 within five days of a written request by the borrower, provide copies of any reports paid for by the  
16 borrower and transmit copies to any other mortgage broker or lender the borrower directs.

17 **2.6 Requirement to Provide a Clear Written Explanation for Fee Increases.** Based on  
18 Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW  
19 19.146.0201(2), (3), (6), and (13) and RCW 19.146.030(4) for charging fees inuring to the benefit of  
20 the mortgage broker in excess of the fees disclosed on the initial written disclosures without  
21 providing the borrowers, no less than three business days prior to the signing of the loan closing  
22 documents, a clear written explanation of the fees and the reason for charging fees exceeding those  
23 which were previously disclosed.

1 **III. AUTHORITY TO IMPOSE SANCTIONS**

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

4 **3.2 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2)(e), the Director may issue  
5 orders directing a licensee or other person subject to the Act to pay restitution for any violation of the  
6 Act.

7 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-  
8 660-550(4)(a), the Department will charge \$48 per hour for an examiner's time devoted to an  
9 investigation of the books and records of a licensee or other person subject to the Act.

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

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

15 **4.1** Respondent Journey Financial, Inc. pay a fine which as of the date of these charges totals  
16 \$15,000;

17 **4.2** Respondent Journey Financial, Inc. pay restitution totaling \$1,103.84 to the two borrowers  
18 identified in Appendix A to this Statement of Charges.

19 **4.3** Respondent Journey Financial, Inc. pay an investigation fee which as of the date of these  
20 charges totals \$768, calculated at \$48 per hour for 16 examiner hours to date.

21 **4.4** Respondent Journey Financial, Inc. maintain records in compliance with the Act and provide  
22 the Department with the location of the books, records and other information relating to Respondent's  
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1 mortgage broker business, and the name, address, and telephone number of the individual responsible  
2 for maintenance of such records in compliance with the Act.

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24 STATEMENT OF CHARGES  
C-10-173-11-SC01  
Journey Financial, Inc.

1 **V. AUTHORITY AND PROCEDURE**

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

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9 Dated this 30<sup>th</sup> day of March, 2011



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

16 Presented by:

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19 STEVEN C. SHERMAN  
20 Financial Legal Examiner

21 Approved by:

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24 JAMES R. BRUSSELBACK  
Enforcement Chief

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**RESTITUTION**

<b>Borrower</b>	<b>Loan Number</b>	<b>Amount</b>
D.A.	502554580	\$961.84
J.G.	5519030140	\$142.00
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