

Terms Completed

ORDER SUMMARY – Case Number: C-12-0996

Name(s): Vintage Loans, LLC

Order Number: C-12-0996-14-CO01

Effective Date: September 29, 2014

License Number: DFI: 49832 NMLS ID #56390
Or NMLS Identifier [U/L]

License Effect: NA

Not Apply Until: NA

Not Eligible Until: NA

Prohibition/Ban Until: NA

Investigation Costs	\$2,032	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 9/25/2014
Fine	\$19,893	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 9/25/2014
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 checked="" 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
Consumer Loan Act of Washington by:

VINTAGE LOANS, LLC,
NMLS #56380

Respondent.

No.: C-12-0996-14-CO01

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 Vintage Loans, LLC (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 31.04 of the Revised Code of Washington (RCW), the Consumer Loan Act (Act), 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 Statement of Charges No. No. C-12-0996-13-SC01 (Statement of Charges), entered March 10, 2014, (copy attached hereto). Pursuant to chapter 31.04 RCW, the Consumer Loan 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.

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1 Based upon the foregoing:

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

4 B. **Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a
5 hearing before an administrative law judge, and hereby waives its 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
7 herein.

8 C. **Admissions.** It is AGREED that Respondent admits to the allegations contained in
9 paragraphs 1.1 through 1.8 of the Statement of Charges. Respondent also admits that in addition to
10 the allegations contained in the Statement of Charges, three unlicensed individuals collected an
11 additional 17 applications and closed 12 mortgage loans for properties located in Washington
12 between May 1, 2012, and September 21, 2012. The Department also agrees it will take no further
13 action as to the 17 applications and 12 residential loans as to the allegations contained in paragraphs
14 1.1 through 1.8 of the Statement of Charges.

15 D. **Compliance with the Law.** It is AGREED that Respondent shall comply with the Act
16 and the rules adopted thereunder, now existing and as hereafter amended, when engaged in any
17 activities subject to the Act.

18 E. **Fine.** It is AGREED that Respondent shall pay a fine to the Department in the amount of
19 \$19,893, in the form of a cashier's check made payable to the "Washington State Treasurer," upon
20 entry of this Consent Order.

21 F. **Investigation Fee.** It is AGREED that Respondent shall pay to the Department an
22 investigation fee of \$2,032, in the form of a cashier's check made payable to the "Washington State
23

Treasurer," upon entry of this Consent Order. The Fine and Investigation Fee may be paid together in one \$21,925 cashier's check made payable to the "Washington State Treasurer."

G. Change of Address. It is AGREED that for the duration of the period this Consent Order is in effect, unless otherwise agreed to in writing by the Department, Respondent shall provide the Department with a mailing address and telephone number at which Respondent can be contacted and Respondent shall notify the Department in writing of any changes to its mailing address or telephone number within 15 days of any such change.

H. Records Retention. It is AGREED that Respondent, its officers, employees, and agents shall maintain records in compliance with the Act and provide the Director with the location of the books, records and other information relating to Respondent's consumer loan business, and the name, address and telephone number of the individual responsible for maintenance of such records in compliance with the Act.

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

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

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

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1 L. **Authority to Execute Order.** It is AGREED that the undersigned has represented and
2 warranted that he has the full power and right to execute this Consent Order on behalf of Respondent.

3 **RESPONDENT:**

4 Vintage Loans, LLC

5 By:

[Redacted Signature]

6 LANSING H. TEAL
7 Manager
8 NMLS #99335

Date

9/24/14

9 DO NOT WRITE BELOW THIS LINE

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12 //
13 //

14 THIS ORDER ENTERED THIS 29th DAY OF September, 2014.



15 [Redacted Signature]

16 DEBORAH BORTNER
17 Director
18 Division of Consumer Services
19 Department of Financial Institutions

20 Presented by:

21 [Redacted Signature]

22 BARBARA PENTTILA
23 Financial Legal Examiner

24 Approved by:

[Redacted Signature]

CHARLES E. CLARK
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
Consumer Loan Act of Washington by:

VINTAGE LOANS, LLC,
NMLS #56380,

Respondent.

No. C-12-0996-13-SC01

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

INTRODUCTION

Pursuant to RCW 31.04.165, RCW 31.04.168, and RCW 31.04.205, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to RCW 31.04.093 and 31.04.145, and based upon the facts available as of 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 Vintage Loans, LLC (Respondent) was licensed by the Department to conduct business as a consumer loan lender under the Act on or about November 12, 2008, and continues to be licensed to date. Respondent conducts its business at its main office located at 5424 Sand Point Way NE, Seattle, Washington, 98105.

1.2 Examination. The Department conducted an on-site examination of Respondent from May 14, 2012, through May 16, 2012. The scope of this examination included a review of Respondent's business practices under the Act for the time period from January 1, 2010, through April 30, 2012.

1.3 Unlicensed Mortgage Loan Originators. For the period from July 1, 2010, through April 30, 2012, at least three individuals working on behalf of Respondent received 53 applications and

1 closed 34 residential mortgage loans for properties located in the state of Washington. The three
2 individuals were not licensed with the Department at the time of the activity. Respondent received
3 fees in compensation from this unlicensed activity.

4 **1.4 Failure to Disclose Nationwide Multistate Licensing System (NMLS) Unique Identifiers**
5 **on Loan Applications.** Respondent failed to provide its company's NMLS unique identifier and its
6 mortgage loan originator's NMLS unique identifier on the applications for at least 21 residential
7 mortgage loan applicants.

8 **1.5 Failure to Timely Provide Written Disclosure of Fees and Costs to Loan Applicants.**
9 Respondent failed to provide a written disclosure in the form of a Good Faith Estimate containing an
10 itemized estimation and explanation of all fees and costs for at least three (3) loan applicants within
11 three (3) days of receiving complete residential mortgage loan applications.

12 **1.6 Failure to Timely Disclose Annual Percentage Rate (APR) and Prepayment Penalty to**
13 **Loan Applicants.** Respondent failed to timely disclose the APR and whether or not the loan
14 contained a prepayment penalty within three (3) days of receiving complete residential mortgage loan
15 applications for at least three (3) loan applicants.

16 **1.7 Failure to Maintain Records.** Respondent failed to maintain loan records for at least 25
17 months after making the final entry for at least five (5) residential mortgage loan applicants.

18 **1.8 Failure to Collect the Equal Credit Opportunity Act (Regulation B) Information on**
19 **Loan Applicants.** Respondent failed to collect the required Equal Credit Opportunity Act
20 (Regulation B) information on at least 26 residential mortgage loan applicants.

21 **1.9 On-Going Investigation.** The Department's investigation into the alleged violations of the
22 Act by Respondent continues to date.

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II. GROUNDS FOR ENTRY OF ORDER

2.1 Definition of Borrower. Pursuant to RCW 31.04.015(3) and WAC 208-620-011, "Borrower" means any person who consults with or retains a licensee or person subject to this chapter in an effort to obtain or seek information about obtaining a loan, regardless of whether that person actually obtains a loan.

2.2 Definition of Mortgage Loan Originator. Pursuant to RCW 31.04.015 and WAC 208-620-010, "Mortgage Loan Originator" means an individual who for compensation or gain (i) takes a residential mortgage loan application, or (ii) offers or negotiates terms of a residential mortgage loan. "Mortgage Loan Originator" also includes an individual who holds himself or herself out as being able to perform any of the activities described in this definition.

2.3 Definition of Residential Mortgage Loan. Pursuant to RCW 31.04.015 and WAC 208-620-010, "Residential Mortgage Loan" means any loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling or residential real estate upon which is constructed or intended to be constructed a dwelling.

2.4 Unlicensed Loan Originators. Based on the Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW 31.04.027(2) and (3), RCW 31.04.035, and RCW 31.04.221 for engaging in the business of a consumer loan company using unlicensed mortgage loan originators to assist borrowers in applying for or obtaining residential mortgage loans.

2.5 Responsibility for Conduct of Employees. Pursuant to RCW 31.04.027(2) and WAC 208-620-372, a consumer loan company is responsible for any conduct violating the Act or the rules by any person employed, or engaged as an independent contractor, to work in the business covered by the consumer loan company's license.

1 **2.6 Requirement to Disclose NMLS Unique Identifiers on Documents.** Based on the Factual
2 Allegations set forth in Section I above, Respondent is in apparent violation of RCW 31.04.027(2)
3 and WAC 208-620-710(25) and (26) by failing to disclose its company's NMLS unique identifier and
4 its mortgage loan originator's NMLS unique identifier on residential mortgage loan applications.

5 **2.7 Requirement to Make Full and Accurate Disclosures to Loan Applicants.** Based on the
6 Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW
7 31.04.027(6), RCW 31.04.102, and WAC 208-620-505 for failing to make disclosures to residential
8 mortgage loan applicants in compliance with applicable state and federal law.

9 **2.8 Requirement to Maintain Adequate Records.** Based on the Factual Allegations set forth in
10 Section I above, Respondent is in apparent violation of RCW 31.04.155 and WAC 208-620-520 for
11 failing to maintain the books, accounts, records, papers, documents, files, and other information
12 relevant to a loan for a minimum of twenty-five months, or the period of time required by federal
13 law, whichever is longer, after making the final entry on that loan at a licensed location.

14 **2.9 Requirement to Collect Equal Credit Opportunity Act (Regulation B) Information on**
15 **Loan Applicants.** Based on the Factual Allegations set forth in Section I above, Respondent is in
16 apparent violation of RCW 31.04.027(13) and the Equal Credit Opportunity Act (Regulation B), 12
17 C.F.R. § 202.1, by failing to collect the required information for monitoring purposes, including
18 ethnicity, race, sex, marital status, and age, on each residential mortgage loan applicant.

19 **III. AUTHORITY TO IMPOSE SANCTIONS**

20 **3.1 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
21 up to \$100 per day, per violation, upon the licensee, its employee, or any other person subject to the
22 Act for any violation of the Act.

3.2 Authority to Charge Investigative Fee. Pursuant to RCW 31.04.145 and WAC 208-620-590, every licensee examined or investigated by the Director or the Director's designee shall pay for the cost of the examination or investigation, calculated at the rate of \$69.01 per staff hour devoted to the investigation.

3.3 Requirement to Retain Records. Pursuant to RCW 31.04.155 and WAC 208-620-520, every licensee must maintain the books, accounts, records, papers, documents, files, and other information relevant to a loan or servicing of a loan for at least 25 months after making the final entry on any loan, or the period of time required by federal law, whichever is longer, after making the final entry on that loan at a licensed location.

IV. NOTICE OF INTENTION TO ENTER ORDER

Respondent's violations of the provisions of chapter 31.04 RCW and chapter 208-620 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 31.04.093, RCW 31.04.165, RCW 31.04.168, RCW 31.04.202 and RCW 31.04.205. Therefore, it is the Director's intention to ORDER that:

4.1 Respondent Vintage Loans, LLC pay a fine. As of the date of this Statement of Charges, the fine totals \$20,000.

4.2 Respondent Vintage Loans, LLC pay an investigation fee. As of the date of this Statement of Charges, the investigation fee totals \$2,032.

4.3 Respondent Vintage Loans, LLC maintain records in compliance with the Act and provide a the Department with the location of the books records and other information relating to Respondent Vintage Loans, LLC's consumer loan 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 is entered pursuant to the provisions of RCW 31.04.093, RCW
3 31.04.165, RCW 31.04.168, and RCW 31.04.202, and is subject to the provisions of chapter 34.05
4 RCW (The Administrative Procedure Act). Respondent may make a written request for a hearing as
5 set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING
6 accompanying this Statement of Charges.

7 Dated this 10th day of March, 2014.



8 [Redacted Signature]
9 DEBORAH BORTNER
10 Director
11 Division of Consumer Services
12 Department of Financial Institutions

12 Presented by:



13 [Redacted Signature]
14 BARBARA PENTTILA
15 Financial Legal Examiner

16 Approved by:



17 [Redacted Signature]
18 CHARLES E. CLARK
19 Enforcement Chief