

CONSENT AGREEMENT SUMMARY – Case Number: C-15-1666

Respondent's Name: Nationstar Mortgage LLC

Order Number: C-15-1666-16-AG01

Effective Date: December 9, 2016

License Number: NMLS #2119

License Effect: NA

Not Apply Until: NA

Not Eligible Until: NA

Prohibition/Ban Until: NA

Investigation Fee	\$6,282	Due: Upon entry of the Consent Agreement.	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 01/11/2017
Financial Literacy and Education Program	\$39,500	Due: Upon entry of the Consent Agreement.	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 01/11/2017
Prosecution Costs	\$9,696.89	Due: Upon entry of the Consent Agreement.	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 01/11/2017
Restitution	\$4,200	Due: Upon entry of the Consent Agreement.	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 01/20/2017
Satisfaction of Judgment Filed?	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N			

Comments: Nationstar Mortgage LLC agreed to comply with the good-faith mediation requirement

contained in the Foreclosure Fairness Act and to pay the above-referenced assessments.

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:

No.: C-15-1666-16-AG01

CONSENT AGREEMENT

NATIONSTAR MORTGAGE LLC,
NMLS #2119,

Respondent.

COMES NOW the Acting Director of the Department of Financial Institutions ("Director"), through her designee Charles E. Clark, Division Director, Division of Consumer Services, and Nationstar Mortgage LLC (Respondent Nationstar), by and through its counsel, Fred Rivera of Perkins Coie LLP, and finding that the issues raised in the above-captioned matter may be economically and efficiently settled, agree to the entry of this Consent Agreement. This Consent Agreement is entered pursuant to chapter 31.04 of the Revised Code of Washington ("RCW"), and RCW 34.05.060 of the Administrative Procedure Act authorizing agencies to enter into informal settlement of matters, based upon the following:

AGREEMENT

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent Nationstar have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-15-1666-16-SC01 (Statement of Charges), entered February 8, 2016, (copy attached hereto). Pursuant to chapter 31.04 RCW, the Consumer Loan Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondent Nationstar hereby agrees to this Consent Agreement and further agrees that the issues raised in the above-captioned matter may be economically and efficiently settled by the type of informal settlement authorized by RCW 34.05.060 through the terms

CONSENT AGREEMENT
No.: C-15-1666-16-AG01
Nationstar Mortgage LLC

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

1 included below. The parties intend this Consent Agreement to fully resolve the Statement of Charges
2 and all uncharged Foreclosure Fairness Act complaints pending against Respondent Nationstar on the
3 date this Consent Agreement is issued. Respondent Nationstar is agreeing to not contest the
4 Statement of Charges in consideration of the terms of this Consent Agreement.

5 **Based upon the foregoing:**

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

8 **B. Waiver of Hearing.** It is AGREED that Respondent Nationstar has been informed of the
9 right to a hearing before an administrative law judge, and hereby waives its right to a hearing and any
10 and all administrative and judicial review of the issues raised in this matter, or of the resolution
11 reached herein. Accordingly, Respondent Nationstar, by the signatures of its representative(s) below,
12 withdraws its appeal to the Office of Administrative Hearings.

13 **C. No Admission of Liability.** The parties intend this Consent Agreement to fully resolve
14 the Statement of Charges and all uncharged Foreclosure Fairness Act complaints pending with the
15 Department against Respondent Nationstar on the date this Consent Agreement is issued, including
16 any Directives issued by the Department to Provide Documents and Explanation concerning
17 Foreclosure Fairness Act issues, and agree that Respondent Nationstar does not admit to any
18 wrongdoing by its entry.

19 **D. Agreement to Comply.** It is AGREED that Respondent Nationstar shall comply with the
20 good faith mediation requirement contained in the Foreclosure Fairness Act.

21 **E. Financial Literacy Payment.** Pursuant to RCW 31.04.093(7), the Director may accept
22 payments to the Department for purposes of financial literacy and education programs authorized
23 under RCW 43.320.150. Accordingly, in further compromise and in consideration of the additional

1 terms set forth herein, it is AGREED that upon entry of this Consent Agreement Respondent
2 Nationstar shall pay \$39,500 to the Department for purposes of financial literacy and education
3 programs. It is further AGREED that Respondent Nationstar shall not advertise the Financial
4 Literacy Payment.

5 F. **Investigation Fee.** It is AGREED that Respondent Nationstar shall pay to the
6 Department an investigation fee of \$6,282.

7 G. **Costs of Prosecution.** It is AGREED that Respondent Nationstar shall pay to the
8 Department \$9,696.89 for the Department's costs and expenses in prosecuting this matter through the
9 date of this Consent Agreement. It is further AGREED that the Financial Literacy
10 Payment, Investigation Fee, and Costs of Prosecution shall be paid together in one \$55,478.89
11 cashier's check made payable to the "Washington State Treasurer" upon entry of this Consent
12 Agreement.

13 H. **Other Payment.** It is AGREED that Respondent Nationstar shall pay a total of \$4,200 to
14 the Washington borrowers listed in Exhibit A and in the amounts therein listed.

15 I. **Rights of Non-Parties.** It is AGREED that the Department does not represent or have the
16 consent of any person or entity not a party to this Consent Agreement to take any action concerning
17 their personal legal rights. It is further AGREED that for any person or entity not a party to this
18 Consent Agreement, this Consent Agreement does not limit or create any private rights or remedies
19 against Respondent Nationstar, limit or create liability of Respondent Nationstar, or limit or create
20 defenses of Respondent Nationstar to any claims.

21 J. **Multistate Examination.** It is AGREED and understood that Respondent Nationstar
22 has recently been subjected to a multi-state examination of which the Department was a participant
23 and for which a Report of Examination has been issued but no resolution has been reached. It is also

1 AGREED that this Consent Agreement does not address any aspect of said multi-state examination;
2 including, but not limited to fines, costs, fees, or sanctions, and shall not preclude the Department or
3 any other government entity from addressing findings from said multi-state examination or fully
4 participating in an action resulting from the multi-state examination.

5 **K. Non-Compliance with Agreement.** It is AGREED that Respondent Nationstar
6 understands that failure to abide by the terms and conditions of this Consent Agreement may result in
7 further legal action by the Director. In the event of such legal action, Respondent Nationstar may be
8 responsible to reimburse the Director for the cost incurred in pursuing such action, including, but not
9 limited to, attorney fees, to extent allowed by statute or regulation.

10 **L. Voluntarily Entered.** It is AGREED that Respondent Nationstar has voluntarily entered
11 into this Consent Agreement, which is effective when signed by the Director's designee.

12 **M. Completely Read, Understood, and Agreed.** It is AGREED that Respondent
13 Nationstar's representatives have read this Consent Agreement in its entirety and fully understand
14 and agree to all of the same.

15 **N. Authority to Execute Agreement.** It is AGREED that the undersigned authorized
16 representative has represented and warranted that he has the full power and right to execute this
17 Consent Agreement on behalf of Respondent Nationstar.

18 **O. Counterparts.** This Consent Agreement may be executed by Respondent Nationstar in
19 any number of counterparts, including by facsimile or E-mail of a pdf or similar file, each of which
20 shall be deemed to be an original, but all of which, taken together, shall constitute one and the same
21 Consent Agreement.

1 **RESPONDENT:**

Nationstar Mortgage LLC

2 By:

3 [REDACTED]

4 LeAllen Frost

Vice President and Associate General Counsel

5 Nationstar Mortgage LLC

6 Approved for Entry:

7 [REDACTED]

8 Fred Rivera, WSBA No. 23008

Attorney at Law

9 Perkins Coie LLP

Attorney for Respondent,

December 8, 2016

Date

December 8, 2016

Date

11 DO NOT WRITE BELOW THIS LINE

12 THIS CONSENT AGREEMENT ENTERED INTO THIS 9th DAY OF December, 2016.



13 [REDACTED]

14 CHARLES E. CLARK

Director

Division of Consumer Services

Department of Financial Institutions

17 Presented by:

18 [REDACTED]

19 BARBARA PENTTILA

Financial Legal Examiner

20 Approved by:

21 [REDACTED]

22 STEVEN C. SHERMAN

23 Enforcement Chief

24 CONSENT AGREEMENT
No.: C-15-1666-16-AG01
Nationstar Mortgage LLC

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:

NATIONSTAR MORTGAGE LLC,
NMLS #2119,

Respondent.

No.: C-15-1666-16-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO CEASE AND DESIST, IMPOSE
FINE, COLLECT INVESTIGATION FEE,
ORDER A REFUND OR RESTITUTION, and
COLLECT PROSECUTION COSTS AND
EXPENSES

INTRODUCTION

Pursuant to RCW 31.04.093 and RCW 31.04.165, 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 31.04.145, 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 Charles E. Clark, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondent Nationstar Mortgage LLC (Respondent) has been licensed by the Department of Financial Institutions of the State of Washington (Department) since at least 2012, and is currently licensed to conduct business in Washington as a consumer loan company. Respondent conducts its business from its main office located at 8950 Cypress Waters Boulevard, Dallas, Texas.

1.2 Failure to Mediate in Good Faith During Foreclosure Fairness Act Mediations.

Between at least November 2012 through April 2015, Respondent participated in Foreclosure Fairness Act mediations with Washington borrowers. The Department received at least one complaint from the Washington State Department of Commerce alleging Respondent failed to

1 mediate in good faith during mediation sessions with Washington borrowers. Mediation
2 participants, M.H. and B.H, submitted at least six mortgage loan modification applications linked to
3 their Washington residence during their sessions with Respondent scheduled on or about February 4,
4 2013, through January 28, 2014. The mediator's written certification indicated Respondent violated
5 the duty to mediate in good faith by not providing timely and/or accurate documents during the six
6 sessions with M.H. and B.H. Washington borrowers paid at least \$1,000 to Respondent in
7 mediation fees.

8 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the
9 Act by Respondent continues to date.

10 **II. GROUNDS FOR ENTRY OF ORDER**

11 **2.1 Requirement to Mediate in Good Faith.** The Washington Foreclosure Fairness Act, Laws
12 of 2011, Chapter 58, is part of the Deeds of Trust Act, chapter 61.24 RCW, and imposes on
13 Respondent a duty to mediate in good faith under RCW 61.24.163.

14 **2.2 Violation of the Consumer Protection Act.** Pursuant to RCW 61.24.135(2), it is an unfair
15 or deceptive act in trade or commerce and an unfair method of competition in violation of the
16 Consumer Protection Act, chapter 19.86 RCW, for any person or entity to violate the duty of good
17 faith under RCW 61.24.163.

18 **2.3 Unfair or Deceptive Practices.** Based on the Factual Allegations set forth in Section I
19 above, Respondent is in apparent violation of RCW 31.04.027(2) for directly or indirectly engaging
20 in any unfair or deceptive practice toward any person, and by being in apparent violation of RCW
21 61.24.135(2).

22 **2.4 Violation of Applicable State Law.** Based on the Factual Allegations set forth in Section I
23 above, Respondent is in apparent violation of RCW 31.04.027(13) and WAC 208-620-900(1) for

1 violating applicable state laws relating to the activities governed by the Act, including, but not
2 limited to, the Deeds of Trust Act, chapter 61.24 RCW, and the Consumer Protection Act, chapter
3 19.86 RCW.

4 **III. AUTHORITY TO IMPOSE SANCTIONS**

5 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 31.04.093(5)(a), the
6 Director may issue an order directing a licensee to cease and desist from conducting business in a
7 manner that is injurious to the public or violates any provision of the Act.

8 **3.2 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
9 up to one hundred dollars per day, per violation, upon the licensee for any violation of the Act or
10 failure to comply with any order or subpoena issued by the Director under the Act.

11 **3.3 Authority to Charge Costs.** Pursuant to RCW 31.04.145(3), every licensee examined or
12 investigated by the Director or the Director's designee shall pay for the cost of the examination or
13 investigation. Pursuant to WAC 208-620-590, the Department charges \$69.01 per staff hour.

14 **3.4 Authority to Order a Refund or Restitution.** Pursuant to RCW 31.04.093(5), the Director
15 may issue an order directing a licensee, its employee or loan originator, or any other person subject to
16 the Act to make a refund or restitution to a borrower or other person who is damaged as a result of a
17 violation of the Act.

18 **3.5 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
19 may recover the state's costs and expenses for prosecuting violations of the Act including staff time
20 spent preparing for and attending administrative hearings and reasonable attorneys' fees unless, after
21 a hearing, the Director determines no violation occurred.

22 //

23 //

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

2 Respondent's violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,
3 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
4 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and
5 RCW 31.04.205. Therefore, it is the Director's intention to ORDER that:

- 6 **4.1** Respondent Nationstar Mortgage LLC cease and desist from failing to mediate in
7 good faith during Foreclosure Fairness Act mediations.
- 8 **4.2** Respondent Nationstar Mortgage LLC pay a fine. As of the date of this Statement of
9 Charges, the fine totals \$35,900.
- 10 **4.3** Respondent Nationstar Mortgage LLC pay the costs of the investigation. As of the
11 date of this Statement of Charges, the investigation fee totals \$6,282.
- 12 **4.4** Respondent Nationstar Mortgage LLC make restitution and refund all fees to all
13 Washington borrowers who have been damaged as a result of a violation of the Act in
14 an amount equal to at least \$1,000 as set forth in Exhibit A and in any additional
15 amount(s) to be determined at hearing or by declaration with supporting
16 documentation in event of default by Respondent.
- 17 **4.5** Respondent Nationstar Mortgage LLC pay the Department's costs and expenses for
18 prosecuting violations of the Act in an amount to be determined at hearing or by
19 declaration with supporting documentation in event of default by Respondent.

20 //
21 //
22 //
23 //
24 //

1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist,
3 Impose fine, Collect Investigation Fee, and Collect Prosecution Costs and Expenses (Statement of
4 Charges) is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.202,
5 and RCW 31.04.205, and is subject to the provisions of chapter 34.05 RCW (The Administrative
6 Procedure Act). Respondent 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 Dated this 8th day of February, 2016.



14
15
16
17

[Redacted Signature]

CHARLES E. CLARK
Director
Division of Consumer Services
Department of Financial Institutions

18 Presented by:

19
20
21

[Redacted Signature]

BARBARA PENTTILA
Financial Legal Examiner

22 Approved by:

23
24

[Redacted Signature]

STEVEN C. SHERMAN
Enforcement Chief

**MEDIATION FEES PAID BY WASHINGTON BORROWERS
FOR STATEMENT OF CHARGES No.: C-15-1666-16-SC01**

<u>BORROWERS</u>	<u>AMOUNT</u>
[REDACTED]	\$400
[REDACTED]	\$400
[REDACTED]	\$400
[REDACTED]	\$400
[REDACTED]	\$1,000
[REDACTED]	\$600
[REDACTED]	\$800
[REDACTED]	\$200
<u>TOTAL</u>	<u>\$4,200</u>