

TERMS COMPLETED

ORDER SUMMARY – Case Number: C-16-2063

Name(s): 2nd Chance Mortgages Inc., Jeremy Geng

Order Number: C-16-2063-17-CO01

Effective Date: January 31, 2017

License Number: NMLS #1579013 and #1454976
Or NMLS Identifier [U/L]

License Effect: none

Not Apply Until: n/a

Not Eligible Until: licensed

Prohibition/Ban Until: n/a

Investigation Costs	\$500	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 01/31/17
Fine	\$2,500	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 01/31/17
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:

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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
Consumer Loan Act of Washington by:

2ND CHANCE MORTGAGES, INC.,
NMLS #1579013,
and
JEREMY GENG, President and MLO,
NMLS #1454976,

Respondents.

No.: C-16-2063-17-CO01

CONSENT ORDER

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 2nd Chance Mortgages, Inc. (Respondent 2nd Chance Mortgages), and Jeremy Geng, President and Mortgage Loan Originator (Respondent Geng) by and through their attorney, Michael S. DeLeo, Peterson Russell Kelly PLLC, 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 Revised Code of Washington (RCW) 31.04, the Consumer Loan Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

FINDINGS OF FACT

1.1 Respondent 2nd Chance Mortgages has never obtained a license from the Department of Financial Institutions of the State of Washington (Department) to conduct the business of a consumer loan company.

1.2 Respondent Geng has never obtained a license from the Department to conduct business as a consumer loan company or a mortgage loan originator.

CONSENT ORDER
C-16-2063-17-CO01
2nd Chance Mortgages, Inc.
Jeremy Geng

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

1.3 From at least January 29, 2015, through November 8, 2016, Respondents conducted business as a consumer loan company by servicing at least three residential mortgage loans secured by real property located in the state of Washington.

CONCLUSIONS OF LAW

2.1 Based on the above Findings of Fact, Respondents violated RCW 31.04.035 by engaging in the business of a consumer loan company in the state of Washington without first obtaining and maintaining a license in accordance with the Act or meeting an exclusion from the Act under RCW 31.04.025.

AGREEMENT AND ORDER

The Department and Respondents have agreed upon a basis for resolution of the Findings of Fact and Conclusions of Law identified in this Consent Order. Pursuant to RCW 31.04.093(7) and RCW 34.05.060, Respondents and the Department agree to entry of this Consent Order and further agree that the matters alleged herein may be economically and efficiently settled by the entry of this Consent Order. Respondents hereby admit the Findings of Fact and Conclusions of Law identified in 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.

B. **Waiver of Hearing.** It is AGREED that Respondents hereby waive any right they have to a hearing and any and all administrative and judicial review of the issues raised in this matter or the resolution reached herein.

C. **Consumer Loan License Required.** It is AGREED that Respondents, by their signatures below, certify that they no longer service or hold the servicing rights to any residential mortgage

1 loans secured by real property located in the state of Washington. It is further AGREED that
2 Respondents understand that in order to service or hold the servicing rights to any residential
3 mortgage loans secured by real property located in the state of Washington, Respondents must obtain
4 a consumer loan license in accordance with the Act or qualify for an exemption from licensing as
5 delineated in the Act. It is further AGREED that Respondents will not service or hold the servicing
6 rights to any residential mortgage loans secured by real property located in the state of Washington
7 without first obtaining and maintaining a consumer loan license in accordance with the Act or
8 qualifying for an exemption from licensing as delineated in the Act.

9 **D. Fine.** It is AGREED that Respondents shall pay a fine to the Department in the amount of
10 \$2,500.

11 **E. Investigation Fee.** It is AGREED that Respondent shall pay an investigation fee to the
12 Department in the amount of \$500. The fine and investigation shall be paid together in the form of a
13 cashier's check in the amount of \$3,000 made payable to the "Washington State Treasurer" upon
14 entry of this Consent Order.

15 **F. Records Retention.** It is AGREED that Respondent 2nd Chance Mortgages, its officers,
16 employees, and agents shall maintain records in compliance with the Act and provide the Director
17 with the location of the books, records, and other information relating to Respondents' consumer loan
18 business, and the name, address and telephone number of the individual responsible for maintenance
19 of such records in compliance with the Act.

20 **G. Application for Consumer Loan License.** It is AGREED that the entry of this Consent
21 Order will not preclude Respondent from obtaining a consumer loan license SO LONG AS all
22 requirements under chapter 31.04 RCW and 208-620 WAC are satisfactorily met and the application
23 is complete as determined by the Department.

1 **H. Rights of Non-Parties.** It is AGREED that the Department does not represent or have the
2 consent of any person or entity not a party to this Consent Order to take any action concerning their
3 personal legal rights. It is further AGREED that for any person or entity not a party to this Consent
4 Order, this Consent Order does not limit or create any private rights or remedies against Respondents,
5 limit or create liability of Respondents, or limit or create defenses of Respondents to any claims.

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

10 **J. Voluntarily Entered.** It is AGREED that Respondents have voluntarily entered into this
11 Consent Order, which is effective when signed by the Director's designee.

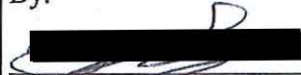
12 **K. Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read
13 this Consent Order in its entirety and fully understand and agree to all of the same.

14 **L. Authority to Execute Order.** It is AGREED that the undersigned authorized representative
15 has represented and warranted that he has the full power and right to execute this Consent Order on
16 behalf of Respondent 2nd Chance Mortgages.

17 **M. Counterparts.** This Consent Order may be executed by the Respondents in any number of
18 counterparts, including by facsimile or e-mail of a .pdf or similar file, each of which shall be deemed
19 to be an original, but all of which, taken together, shall constitute one and the same Consent Order.


20 **RESPONDENTS:**
2nd Chance Mortgages, Inc.

21 By:

22 
23 Jeremy Geng
President and MLO

1/26/17
Date

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Jeremy Geng
Individually

1/26/17

Date

APPROVED FOR ENTRY:

By: 

Michael S. DeLeo, WSBA #22037
Attorney for Respondent
Peterson Russell Kelly PLLC


1-26-17

Date

DO NOT WRITE BELOW THIS LINE

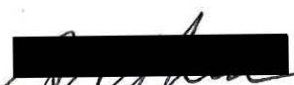
THIS ORDER ENTERED THIS 31st DAY OF January, 2017.





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

Presented by:



STEVEN C. SHERMAN
Enforcement Chief