

ORDER SUMMARY
Consumer Services Division Case Number C-23-3513

Consent Orders/Consent Agreements resolve investigations. In these, companies and individuals work with us to agree to terms that resolve the alleged issues in the investigation.

Name(s)	InstaMortgage Inc., NMLS #1035734 Shashank Shekhar NMLS #8176
Order Number	C-23-3513-24-CO01
Date issued	6/20/2024

What does this Consent Order require?

- **All terms of this order are complete.**
- Fine of \$23,000.00 PAID
- Investigation fee of \$2000.00 PAID

Need more information?

You can contact the Consumer Services Division, Enforcement unit at (360) 902-8703 or cseforcecomplaints@dfi.wa.gov. *Please remember that we cannot provide financial or legal advice to members of the public. We also cannot release confidential information.*

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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES**

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IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Consumer Loan Act of Washington by:

No.: C-23-3513-24-CO01

CONSENT ORDER

INSTAMORTGAGE, INC.,
NMLS No. 1035734,

and

SHASHANK SHEKHAR, Chief Executive
Officer and Designated Broker,
NMLS No. 8176,

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his
designee Ali Higgs, Division of Consumer Services Director, and InstaMortgage, Inc. (Respondent
InstaMortgage) and Shashank Shekhar (Respondent Shekhar), Chief Executive Officer and Loan
Originator of Respondent InstaMortgage (collectively Respondents) by and through their attorney, Ari
Brown, 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:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and
Respondents have agreed upon a basis for resolution of the Final Order entered November 6, 2023,
and the matters alleged in Statement of Charges No. C-23-3513-23-SC01 (Statement of Charges),
entered June 29, 2023. 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

CONSENT ORDER
C-23-3513-24-CO01
INSTAMORTGAGE, INC.
and SHASHANK SHEKHAR

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

1 be economically and efficiently settled by the entry of this Consent Order. The parties intend this
2 Consent Order to replace the Final Order dated November 6, 2023, which is deemed vacated upon
3 entry of this Consent Order that fully resolves the Final Order and Statement of Charges.

4 Respondents agree not to further contest the Statement of Charges in consideration of the terms of
5 this Consent Order.

6 Based upon the foregoing:

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

9 **B. Waiver of Hearing.** It is AGREED that Respondents hereby waive any right it has to a hearing
10 and any and all administrative and judicial review of the issues raised in this matter or of the resolution
11 reached herein. Accordingly, Respondents, by their signatures or the signatures of their representatives
12 below, agree to dismiss with prejudice their Petition for Review in the Thurston County Superior Court
13 (Case No. 23-2-04030-34).

14 **C. No Admission of Liability.** The parties intend this Consent Order to fully resolve the Final
15 Order and Statement of Charges and agree that Respondents neither admit nor deny any wrongdoing by
16 its entry.

17 **D. Advertisements Discontinued and Annual Training.** Respondents represent that they
18 discontinued the advertisements at issue in this matter and that Respondents instituted a policy whereby
19 its loan originators complete annual training covering compliance with state and federal fair lending laws
20 (including the Consumer Loan Act and the associated rules).

21 **E. Fine.** It is AGREED that Respondents shall pay a fine to the Department in the amount of
22 \$23,000.

23 **F. Investigation Fee.** It is AGREED that Respondents shall pay an investigation fee to the
24 Department in the amount of \$2,000. The Fine and Investigation Fee shall be paid together in the

1 form of one cashier's check in the amount of \$25,000 made payable to the "Washington State
2 Treasurer."

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

8 **H. Application for Consumer Loan License.** It is AGREED that the entry of this Consent
9 Order will not preclude Respondents from obtaining or renewing the consumer loan or loan
10 originator licenses SO LONG AS all requirements under chapter 31.04 RCW and chapter 208-620
11 WAC are satisfactorily met and the application is complete as determined by the Department. The
12 Department will process any renewal or applications for consumer loan and loan originator licenses
13 in due course.

14 **I. Authority to Execute Order.** It is AGREED that the undersigned have represented and
15 warranted that they have the full power and right to execute this Consent Order on behalf of the
16 parties represented.

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

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

23 **L. Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read
24 this Consent Order in its entirety and fully understands and agrees to all of the same.

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**RESPONDENTS:
InstaMortgage, Inc. and Shashank Shekhar**

By:



Shashank Shekhar
Chief Executive Officer

6/14/2024

Date



Shashank Shekhar
Individually and Loan Originator

6/14/2024

Date

APPROVED FOR ENTRY:

By:



Ari Brown, WSBA No. 29570
Attorney for Respondents

June 10, 2024

Date

DO NOT WRITE BELOW THIS LINE

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4 THIS ORDER ENTERED THIS 20th DAY OF June, 2024.



[Redacted signature]

Ali Higgs, Director
Division of Consumer Services
Department of Financial Institutions

9 Presented by:

10 [Redacted name]

for

NATHANIEL MCKEAN
Financial Legal Examiner

13 Reviewed by:

15 [Redacted name]

for

ROBERT E. JONES
Financial Legal Examiner Supervisor

18 Approved by:

20 [Redacted name]

JAMES R. BRUSSELBACK
Acting Enforcement Chief

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1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **DIVISION OF CONSUMER SERVICES**

4 IN THE MATTER OF DETERMINING
5 Whether there has been a violation of the
6 Consumer Loan Act of Washington by:

7 INSTAMORTGAGE, INC., NMLS No. 1035734,
8 and SHASHANK SHEKHAR, Chief Executive
9 Officer and Designated Broker, NMLS No. 8176,

10 Respondents.

No. C-23-3513-23-SC01

11 STATEMENT OF CHARGES and
12 NOTICE OF INTENT TO ENTER AN
13 ORDER TO CEASE AND DESIST, IMPOSE
14 FINE, COLLECT INVESTIGATION FEE,
15 and RECOVER COSTS AND EXPENSES

16 **INTRODUCTION**

17 Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial
18 Institutions of the State of Washington (Director) is responsible for the administration of chapter
19 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to
20 RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the
21 Director, through his designee, Division of Consumer Services Director Lucinda Fazio, institutes this
22 proceeding and finds as follows:

23 **I. FACTUAL ALLEGATIONS**

24 **1.1 Respondents.**

A. InstaMortgage, Inc. (Respondent InstaMortgage) was licensed by the Department of
Financial Institutions of the State of Washington (Department) to conduct business as a consumer
loan company on or about February 7, 2017, and continues to be licensed to date.

B. Shashank Shekhar (Respondent Shekhar) is Chief Executive Officer (CEO) of
Respondent InstaMortgage. Respondent Shekhar was licensed by the Department to conduct business
as a loan originator on or about March 23, 2012, and continues to be licensed to date.

1 **1.2 Unfair, Deceptive, False, or Misleading Advertisements.** On or about September 30, 2022,
2 Respondents mailed 2,000 advertisements to individuals in the State of Washington. The
3 advertisements were unfair, deceptive, false, or misleading, as described in more detail below.

4 **a. Improperly Suggested Governmental Affiliation.** The advertisements had
5 numerous design elements that resembled a governmental mailing and suggested a government
6 affiliation that did not exist. For example:

- 7 • Respondents labeled the advertisements “Equity Notice.”
- 8 • The advertisements included a notice number, which begins with “WA-VA.”
- 9 • The body of the advertisements had the heading “UNDERSTANDING YOUR VA
10 EQUITY BENEFIT.”
- 11 • The advertisements referred to an “EQUITY DISBURSEMENT LOAN program”
12 that was “limited to VA home owners and is non-transferable.”
- 13 • The advertisement referred to an “AVAILABLE EQUITY BENEFIT” and
14 suggested, under the heading “WHAT YOU NEED TO DO,” that recipients
15 needed only to call to “accept” the benefits.
- 16 • The body of the advertisements did not clearly identify the document as a
17 solicitation for a new loan from Respondent InstaMortgage.
- 18 • The advertisements targeted U.S. veterans and other VA loan recipients who were
19 customarily recipients of government mailers.

20 Taken together, these design elements suggested a governmental affiliation that did not exist and may
21 mislead recipients regarding the source of the advertisements.

22 **b. Failed to Identify Source of Current Loan Information.** The advertisements
23 included information about the recipients’ current loan that Respondents did not obtain from a
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1 solicitation, application, or loan, and Respondents did not provide the recipients with the name of the
2 source of the information.

3 **c. Misleading use of the Current Lender’s Name.** In the advertisements, Respondents
4 used the name of each recipient’s current lender twice. Respondents did not send the advertisements
5 on behalf of the recipients’ current lender and did not disclose with equal prominence to the current
6 lender’s name the name of Respondent InstaMortgage.

7 **d. Improperly Disclosed Terms.** In the advertisements, Respondents disclosed the
8 amount of a payment while failing to disclose in a clear and conspicuous manner: the period of time
9 during which each payment would apply, and the fact that the payments did not include amounts for
10 taxes and insurance premiums, if applicable, and that the actual payment obligation would be greater.

11 **e. Misrepresentation of Cash and Rate Available.** In the advertisements, Respondents
12 told recipients that their “program allows you to consolidate your debt and receive cash out
13 disbursement of” a certain dollar amount. The advertisements featured that same dollar amount in a
14 box entitled “AVAILABLE EQUITY BENEFIT.” Further, the Respondents suggested recipients
15 needed only to call to “accept” the benefits. At the same time, in fine print and on the back of the
16 advertisements, Respondents disclaimed the dollar amount featured in the advertisements and
17 indicated that it was an “Example cash-out” based on an assumption that the recipient had adequate
18 equity in their property. Additionally, the advertisements contained the disclaimer “Interest rates are
19 subject to market fluctuations and the rate quoted may not be currently available.”

20 **1.3 On-Going Investigation.** The Department’s investigation into the alleged violations of the
21 Act by Respondents continues to date.

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

23 **2.1 Unfair, Deceptive, False, or Misleading Advertisements.** Based on the Factual Allegations
24 set forth in Section I above, Respondents are in apparent violation of RCW 31.04.027(1)(b) for

1 directly or indirectly engaging in any unfair or deceptive practice toward any person; RCW
2 31.04.027(1)(e) for soliciting or advertising specific interest rates, points, or other financing terms
3 when the terms were not actually available at the time of soliciting or advertising; RCW
4 31.04.027(1)(g) for making in any manner, any false or deceptive statement or representation with
5 regard to the rates, points, or other financing terms of conditions for a residential mortgage loan or
6 engaging in bait and switch advertising; RCW 31.04.135 for advertising in any manner whatsoever,
7 any statement or representation with regard to the rates, terms, or conditions for the lending of money
8 that is false, misleading, or deceptive; and by being in apparent violation of the rules related to the
9 above referenced statutes, including WAC 208-620-550(5) and (22), and WAC 208-620-630(1), (6),
10 and (7).

11 **2.2 Noncompliant with Applicable Federal Advertising Laws.** Based on the Factual
12 Allegations set forth in Section I above, Respondents are in apparent violation of RCW
13 31.04.027(1)(m) and WAC 208-620-640 for failing to comply with applicable federal laws or rules
14 relating to the activities governed by the Act, including but not limited to the Federal Trade
15 Commission Act, 15 U.S.C. § 45(a); the Dodd-Frank Wall Street Reform and Consumer Protection
16 Act, 15 U.S.C. §5536(a); the Truth in Lending Act, 15 U.S.C. § 1601 *et seq.*, as implemented by
17 Regulation Z, including specifically 12 C.F.R. § 1026.24(a), (f)(3), (i)(4); and the Mortgage Acts and
18 Practices Advertising Rule, Regulation N, 12 C.F.R. § 1014.3(j), (n), (q), and (r).

19 **III. AUTHORITY TO IMPOSE SANCTIONS**

20 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 31.04.093(5)(a), the
21 Director may issue orders directing a licensee, its employee, loan originator, or other person subject
22 to the Act to cease and desist from conducting business in a manner that is injurious to the public or
23 violates any provision of the Act.

1 **3.2 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
2 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or
3 any other person subject to the Act for any violation of the Act or failure to comply with any order or
4 subpoena issued by the Director under the Act.

5 **3.3 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
6 610(7), every licensee investigated by the Director or the Director's designee shall pay for the cost of
7 the investigation, calculated at the rate of \$69.01 per staff hour devoted to the investigation.

8 **3.4 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
9 may recover the state's costs and expenses for prosecuting violations of the Act.

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

11 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 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 31.04.093, RCW 31.04.165, RCW
14 31.04.202, and RCW 31.04.205. Therefore, it is the Director's intent to ORDER that:

15 **4.1** Respondents InstaMortgage, Inc. and Shashank Shekhar cease and desist from
16 conducting business in a manner that is injurious to the public or violates any
provision of the Act, including the violations cited in Section II above.

17 **4.2** Respondents InstaMortgage, Inc. and Shashank Shekhar jointly and severally pay a
18 fine of \$50,000.

19 **4.3** Respondents InstaMortgage, Inc. and Shashank Shekhar jointly and severally pay an
20 investigation fee. As of the date of this Statement of Charges, the investigation fee
totals \$2,000.

21 **4.4** Respondents InstaMortgage, Inc. and Shashank Shekhar maintain records in
22 compliance with the Act and provide the Department with the location of the books,
23 records and other information relating to Respondent InstaMortgage, Inc.'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.

1 **4.5** Respondent InstaMortgage, Inc. pay the Department’s costs and expenses for
2 prosecuting violations of the Act in an amount to be determined at hearing or by
 declaration with supporting documentation in event of default by Respondents

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intent to Enter an Order to Cease and Desist, Impose
3 Fine, and Collect Investigation Fee (Statement of Charges) is entered pursuant to the provisions of
4 RCW 31.04.093, RCW 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject to the
5 provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a
6 written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
7 OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

8 Dated this 29th day of June, 2023.

9 [Redacted Signature]

LUCINDA FAZIO, Director
Division of Consumer Services
Department of Financial Institutions

11 Presented by:

12 [Redacted Signature]



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14
15
16 NATHANIEL MCKEAN
Financial Legal Examiner

17 Approved by:

18 [Redacted Signature]

19 JACK McCLELLAN
Enforcement Chief