

ORDER SUMMARY
Consumer Services Division Case Number C-23-3556

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

Names	Northwest Processing, LLC Rachel Jean Herman, NMLS #1837820
Order Number	C-23-3556-23-CO01
Date issued	December 18, 2023

What does this Consent Order require?

- **All terms of this order are complete.**
- Respondents must pay a fine of \$3,000. *\$2,250 of the fine is stayed (doesn't have to be paid) until December 28, 2025, as long as Respondents comply with the order. The fine goes away on that date if Respondents have complied.*
- Respondents must pay an investigation fee of \$250 (Investigation fees cover the cost of DFI staff time working on the investigation).
- Respondents will cease and desist from providing third-party loan processing services for real property located in Washington.
- Respondents agree that they must obtain a mortgage broker license or qualify from an exemption to provide third-party loan processing services for real property located in Washington.

Need more information?

You can contact the Consumer Services Division, Enforcement unit at (360) 902-9703 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**

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington
by:

No.: C-23-3556-23-CO01

CONSENT ORDER

NORTHWEST PROCESSING, LLC, and

RACHEL JEAN HERMAN, NMLS #1837820,

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee, Acting Division of Consumer Services Director Ali Higgs, Northwest Processing, LLC, and Rachel Jean Herman, 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) 19.146, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, based upon the following:

I. FINDINGS OF FACT

1.1 Northwest Processing, LLC (Respondent Northwest) has never been licensed by the Washington State Department of Financial Institutions (Department) as a mortgage broker.

1.2 Rachel Jean Herman (Respondent Herman) is the owner of Respondent Northwest. Respondent Herman obtained a mortgage loan originator license from the Department on January 27, 2020, and remains licensed to date.

1.3 Unlicensed Activity. Between about August 1, 2019, and December 8, 2021, Respondent Northwest, as an independent contractor, provided third-party loan processing services to Washington State residents, including submitting files to underwriting, and obtaining credit checks, loan approvals, and title insurance. Respondent Northwest reportedly closed operations and ceased

CONSENT ORDER
C-23-3556-23-CO01
NORTHWEST PROCESSING, LLC and
RACHEL JEAN HERMAN

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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 providing third-party loan processing services on December 31, 2021.

2 II. CONCLUSIONS OF LAW

3 **2.1 Requirement to Obtain and Maintain Loan Originator License.** Based upon the Factual
4 Allegations set forth in Section I above, Respondents are in apparent violation of RCW
5 19.146.0201(11), RCW 19.146.200(1), WAC 208-660-300(13), and 12 U.S.C. § 5103(b)(2), for
6 engaging in residential mortgage loan origination activities as a loan processor and independent
7 contractor without first obtaining and maintaining a mortgage loan originator license under the Act.

8 III. AGREEMENT AND ORDER

9 The Department and Respondents have agreed upon a basis for resolution of the Findings of
10 Fact and Conclusions of Law identified in this Consent Order. Pursuant to RCW 19.146 and RCW
11 34.05.060, Respondents and the Department agree to entry of this Consent Order and further agree
12 that the matters alleged herein may be economically and efficiently settled by the entry of this
13 Consent Order. Respondents hereby admit the Findings of Fact and Conclusions of Law identified in
14 this Consent Order.

15 Based upon the foregoing:

16 **3.1 Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter of the
17 activities discussed herein.

18 **3.2 Waiver of Hearing.** It is AGREED that Respondents hereby waive any right they have to a
19 hearing and any and all administrative and judicial review of the issues raised in this matter or the
20 resolution reached herein.

21 **3.3 Cease and Desist.** It is AGREED that Respondents will cease and desist from providing
22 third-party loan processing services for real property located in the state of Washington. It is
23 FURTHER AGREED that Respondents have provided the Department with assurances that

1 Respondents have already ceased providing third-party loan processing services for real property
2 located in the state of Washington.

3 **3.4 Mortgage Broker License Required.** It is AGREED that Respondents understand that in
4 order to provide third-party loan processing services for real property located in the state of
5 Washington, Respondents must obtain a mortgage broker license in accordance with the Act or
6 qualify for an exemption from licensing as delineated in the Act.

7 **3.5 Fine and Stayed Fine.** It is AGREED and ORDERED that Respondents shall jointly and
8 severally pay a fine to the Department in the amount of \$3,000.00. It is FURTHER AGREED that
9 \$2,250.00 of the fine shall be stayed (Stayed Fine) for two (2) years following entry of this Consent
10 Order contingent upon Respondents' compliance with this Consent Order. It is FURTHER
11 AGREED that the stay may be lifted and the Stayed Fine imposed in accordance with the terms stated
12 in Paragraph 3.6.

13 **3.6 Lifting of Stay and Imposing Stayed Fine.** It is AGREED that:

- 14 1. If the Department determines that Respondents have not complied with
15 the terms of this Consent Order, and the Department accordingly seeks to
16 lift the stay and impose the Stayed Fine set forth in Paragraph 3.5 above,
the Department will first notify Respondents in writing of its
determination.
- 17 2. The Department's notification will include:
 - 18 a) A description of the alleged noncompliance;
 - 19 b) A statement that because of the noncompliance, the Department
20 seeks to lift the stay and impose the Stayed Fine;
 - 21 c) The opportunity for Respondents to contest the Department's
22 determination of noncompliance in an administrative hearing
before an Administrative Law Judge (ALJ) of the Office of
Administrative Hearings (OAH); and
 - 23 d) A copy of this Consent Order. The notification and hearing
24 process provided in this Consent Order applies only to this

1 Consent Order. It is solely provided in the event Respondents
2 choose to contest the Department's determination of
noncompliance.

- 3 3. Respondents will be afforded twenty (20) business days from the date of
4 receipt of the Department's notification to submit a written request to the
Department for an administrative hearing to be held before an ALJ from
5 the OAH.
- 6 4. Respondents, in addition to a request for hearing, may provide a written
7 response to include any information pertaining to the alleged
noncompliance.
- 8 5. The scope and issues of the hearing are limited solely to whether or not
Respondents are in violation of the terms of this Consent Order.
- 9 6. At the conclusion of the hearing, the ALJ will issue an initial decision.
10 Either party may file a Petition for Review with the Director of the
Department.
- 11 7. If Respondents do not request the hearing within the stated time, the
12 Department will impose the Stayed Fine and pursue whatever action it
deems necessary to enforce the Stayed Fine.

13 **3.7 Investigation Fee.** It is AGREED that Respondents shall jointly and severally pay an
14 investigation fee to the Department in the amount of \$250.00. The fine and investigation fee may be
15 paid in the form of a cashier's check for \$1,000.00 made payable to the "Washington State
16 Treasurer" upon delivery of this Consent Order to the Department, properly dated and signed.

17 **3.8 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
for the cost incurred in pursuing such action, including but not limited to, attorney fees.

20 **3.9 Voluntarily Entered.** It is AGREED that Respondents have voluntarily entered into this
21 Consent Order, which is effective when signed by the Director's designee.

22 **3.10 Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read
23 this Consent Order in its entirety and fully understand and agree to all of the same.

1 **3.11 Authority to Execute Order.** It is AGREED that the undersigned authorized representative
2 has represented and warranted that they have the full power and right to execute this Consent Order
3 on behalf of Respondents.

4 **3.12 Counterparts.** It is AGREED that this Consent Order may be executed in one or more
5 separate counterparts, each of which when so executed shall be deemed an original. Such
6 counterparts shall together constitute a single document. An electronic signature, or a faxed,
7 photocopied, or scanned copy of an original signature, shall be deemed the same as an original
8 signature.

9 **RESPONDENTS:**

10 Northwest Processing, LLC
11 Rachel Jean Herman

12 By:

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14 Rachel Jean Herman as
15 Owner of Northwest Processing, LLC

11/1/23
Date

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17 Rachel Jean Herman
18 Individually

11/1/23
Date

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DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 18th DAY OF December, 2023.



[Redacted signature]

ALI HIGGS, Acting Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

[Redacted signature]

AMANDA B. STARNES
Financial Legal Examiner

Approved by:

[Redacted signature]

JAMES R. BRUSSELBACK
Acting Enforcement Chief