

Terms Complete
CONSENT ORDER SUMMARY
DFI Case Number C-16-1864

Respondent(s):	Winnpointe Corporation dba Interactive Mortgage; Evette W. DeLong, Owner, President, and CEO			
Consent Order No.:	C-16-1864-16-CO01			
Effective Date:	December 7, 2016			
NMLS Number(s):	Winnpointe: NMLS No. 302352. Ms. DeLong: NMLS No. 1234956			
License Effect:	<p>Winnpointe will voluntarily surrender its Consumer Loan Company license on or before December 31, 2016. This is being done because of Respondents' decision to cease doing business in Washington, is not a sanction imposed by the Department under the Consent Order.</p> <p>Ms. DeLong will voluntarily not renew her MLO license when it expires effective December 31, 2016. This is not a sanction imposed by the Department under the Consent Order.</p>			
Not Apply Until:	<p>Unless Winnpointe is no longer owned by Ms. DeLong, Respondent Winnpointe shall not apply for a Consumer Loan Company license before January 1, 2022. This is being done because of Respondents' decision to cease doing business in Washington, is not a sanction imposed by the Department under the Consent Order.</p> <p>Ms. DeLong shall not apply for a Mortgage Loan Originator license before January 1, 2022. This is not a sanction imposed by the Department under the Consent Order.</p>			
Investigation Costs	\$ 5,000	Due: On entry of CO	Paid: <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 12/05/16
Fine	\$ 10,000	Due: On entry of CO	Paid: <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 12/05/16
Financial Literacy	\$ 10,000	Due: On entry of CO	Paid: <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 12/05/16

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:

No.: C-16-1864-16-CO01

CONSENT ORDER

WINNPOINTE CORPORATION, d/b/a
INTERACTIVE MORTGAGE,
NMLS No. 302352, and
EVETTE W. DELONG, Owner, President, CEO, and
Mortgage Loan Originator,
NMLS No. 1234956,

Respondents.

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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
Winnpointe Corporation (Respondent Winnpointe) and Evette W. DeLong, Owner, President, CEO,
and Mortgage Loan Originator (Respondent DeLong), 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), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

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AGREEMENT AND ORDER

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The Department of Financial Institutions, Division of Consumer Services (Department) and
Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges
No. C-16-1864-16-SC01 (Statement of Charges), entered October 13, 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, Respondents hereby agree to the Department's entry of this Consent
Order and further agree 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

1 resolve the Statement of Charges. Respondents are agreeing not to contest the Statement of Charges
2 in consideration of the terms of this Consent Order.

3 Based upon the foregoing:

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

6 **B. Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a
7 hearing before an administrative law judge, and hereby waive their right to a hearing and any and all
8 administrative and judicial review of the issues raised in this matter, or of the resolution reached
9 herein. Accordingly, Respondents, by the signatures below, withdraw their appeal to the Office of
10 Administrative Hearings.

11 **C. No Admission of Liability.** The parties intend this Consent Order to fully resolve the
12 Statement of Charges and agree that Respondents do not admit to any wrongdoing by its entry.

13 **D. Consumer Loan Company License Surrender.** It is AGREED that Respondent
14 Winnpointe's license to conduct business as a Consumer Loan Company in Washington will be
15 voluntarily surrendered on or before December 31, 2016. It is also AGREED that this surrender is
16 due to Respondents' decision to cease doing business in Washington and is not a sanction under this
17 Consent Order. It is further AGREED that Respondent Winnpointe shall retain its Washington surety
18 bond in full effect until its closing annual reports are filed and its annual assessment fee is paid.
19 Respondents acknowledge that the due date is within 30 days of closure.

20 **E. Mortgage Loan Originator License Expiration.** It is AGREED that Respondent
21 DeLong's license to conduct business as a Mortgage Loan Originator in Washington expires effective
22 December 31, 2016, and that Respondent DeLong will not seek to renew the license. It is further
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1 AGREED that this non-renewal is due to Respondent DeLong's decision to cease doing business in
2 Washington and is not a sanction under this Consent Order.

3 **F. Limitation of Operations.** It is AGREED that from the date of this Consent Order
4 through December 31, 2016, Respondent's will limit their Washington operations to completing
5 loans which are currently in their pipeline and can be completed by December 31, 2016. It is also
6 AGREED that Respondent's shall not accept new Washington clients or originate new Washington
7 loans following the date of this Consent Order. It is further AGREED that any Washington loans
8 which are not completed by December 31, 2016, will be cancelled with borrowers free to proceed
9 with other lenders if they choose to do so.

10 **G. Application for License.** It is AGREED that following the entry of this Consent Order,
11 Respondent DeLong shall not apply to the Department for a Mortgage Loan Originator license under
12 any name before January 1, 2022. It is also AGREED that Respondent Winnpointe shall not apply
13 for a Consumer Loan Company license under any name before January 1, 2022, unless it is no longer
14 owned by Respondent DeLong. It is further AGREED that these agreements not to apply are due to
15 Respondents' decision to cease doing business in Washington and are not a sanction under this
16 Consent Order.

17 **H. Financial Literacy Payment.** Pursuant to RCW 31.04.093(7), the Director may accept
18 payments to the Department for purposes of financial literacy and education programs authorized
19 under RCW 43.320.150. Accordingly, in further compromise and in consideration of the additional
20 terms set forth herein, it is AGREED that upon entry of this Consent Order Respondents shall pay
21 \$10,000 to the Department for purposes of financial literacy and education programs. It is further
22 AGREED that Respondents shall not advertise the Financial Literacy Payment.

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I. Fine. It is AGREED that Respondents shall pay a fine to the Department in the amount of \$10,000 upon entry of this Consent Order.

J. Investigation Fee. It is AGREED that Respondents shall pay to the Department an investigation fee of \$5,000 upon entry of this Consent Order. The Financial Literacy Payment, Fine, and Investigation Fee may be paid together in one \$25,000 cashier’s check made payable to the “Washington State Treasurer.”

K. Records Retention. It is AGREED that Respondent Winnpointe, 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 Winnpointe’s consumer loan company business, and the name, address and telephone number of the individual responsible for maintenance of such records in compliance with the Act.

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

M. Non-Compliance with Order. It is AGREED that Respondents understand 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, Respondents may be responsible to reimburse the Director for the cost incurred in pursuing such action, including but not limited to, attorney fees.

N. Voluntarily Entered. It is AGREED that Respondents have voluntarily entered into this Consent Order, which is effective when signed by the Director’s designee.

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

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

5 **RESPONDENTS:**

Winnpointe Corporation

6 By:

7 [Redacted]
8 Evette W. DeLong
9 Owner, President, and CEO

11/25/16
Date

10 [Redacted]
11 Evette W. DeLong
12 Individually

11/25/16
Date

13 Approved for Entry:

14 [Redacted]
15 Gavin W. Skok, WSBA No. 29766
16 Attorney at Law
17 Riddell Williams P.S.
18 Attorney for Respondents

12/1/16
Date

19 DO NOT WRITE BELOW THIS LINE

20 THIS ORDER ENTERED THIS 7th DAY OF December, 2016.



21 [Redacted]
22 CHARLES E. CLARK
23 Director
24 Division of Consumer Services
Department of Financial Institutions

25 Presented by:

26 [Redacted]
27 ANTHONY W. CARTER
28 Senior Legal Examiner

29 Approved:

30 [Redacted]
31 STEVEN C. SHERMAN
32 Enforcement Chief

1 **1.3 Unfair, Deceptive, and Misleading Advertising.**

2 **A. Direct Mail Solicitations.** Between about May and September, 2015, Respondent Winnpointe and
3 Respondent DeLong (hereinafter Respondents) distributed some 245,000 direct mail solicitations offering a
4 “RateSaver Refinance” residential mortgage loan to Washington consumers. The solicitations failed to clearly and
5 conspicuously disclose the loan period and terms of repayment; failed to disclose whether the advertised mortgage
6 payment included amounts for taxes, insurance, or other products; and failed to provide recipients with the name of
7 the source of recipients’ current loan information included in the solicitation.

8 **B. Internet Advertising.** During 2015, and continuing through the date of this Statement of Charges,
9 Respondents have advertised on the Internet that Respondent Winnpointe offers “the lowest fees and rates, in the
10 industry.”

11 **1.4 Failure to Comply with Investigation Authority.** On or about September 23, 2015, the Department issued
12 a Complaint Directive (Directive) to Respondent Winnpointe requesting explanations and documents relating to the
13 above-referenced solicitation. Respondent Winnpointe failed to respond to the Directive by not providing full and
14 complete written explanations as requested; by not furnishing records as requested; and by not producing any
15 advertising records required to be maintained pursuant to WAC 208-620-550(5).

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

17 **2.1 Legislative Findings.** Pursuant to the Act, the Legislature has found that the activities of mortgage lenders
18 and MLOs have a direct, valuable, and immediate impact upon Washington's consumers, economy, and real estate
19 industry. The Legislature therefore declared that the Act is necessary to encourage responsible lending, to protect
20 borrowers, and to preserve access to credit in the residential real estate lending market.

21 **2.2 Unfair or Deceptive Practices.** Based on the Factual Allegations set forth in Section I above, Respondents
22 are in apparent violation of RCW 31.04.027(2) for directly or indirectly engaging in any unfair or deceptive
23 practice toward any person, and by being in apparent violation of WAC 208-620-550(5); WAC 208-620-550(9);
24 WAC 208-620-610(5); WAC 208-620-630(2); WAC 208-620-630(7); and WAC 208-620-640.

1 **2.3 False or Deceptive Statements or Representations.** Based on the Factual Allegations set forth in Section I
2 above, Respondents are apparent violation of RCW 31.04.027(7) for making, in any manner, any false or deceptive
3 statement or representation with regard to the rates, points, or other financing terms for a residential mortgage loan,
4 and by being in apparent violation of WAC 208-620-550(5) and WAC 208-620-640.

5 **2.4 False, Misleading, or Deceptive Advertisements or Promotions.** Based on the Factual Allegations set
6 forth in Section I above, Respondents are in apparent violation of RCW 31.04.135 for advertising, in any manner
7 whatsoever, 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 WAC 208-620-550(5).

9 **2.5 Violations of Applicable Federal Law.** Based on the Factual Allegations set forth in Section I above,
10 Respondents are in apparent violation of RCW 31.04.027(13) for violating any applicable federal laws relating to
11 the activities governed by the Act, including the advertising prohibitions contained in the Federal Trade
12 Commission Act, 15 U.S.C. §§ 41-58; the Truth in Lending Act, 15 U.S.C. § 1601 and Regulation Z, 12 C.F.R. §
13 1026; and the Mortgage Acts and Practices – Advertising (MAP) rule, Regulation N, 12 C.F.R. § 1014.

14 **2.6 Requirement to Comply with Investigation Authority.** Based on the Factual Allegations set forth in
15 Section I above, Respondents are in apparent violation of RCW 31.04.145 for failing to comply with the
16 Department’s investigation authority.

17 **III. AUTHORITY TO IMPOSE SANCTIONS**

18 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 31.04.093(5)(a), the Director may
19 issue an Order directing a licensee to cease and desist from conducting business in a manner that is injurious to the
20 public or violates any provision of the Act.

21 **3.2 Authority to Order Affirmative Action.** Pursuant to RCW 31.04.093(5)(b), the Director may issue an
22 Order directing a licensee to take such affirmative action as is necessary to comply with the Act.

23 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of up to one
24 hundred dollars per day, per violation, upon a licensee for any violation of the Act.

1 **3.4 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-590, every
2 licensee investigated by the Director shall pay for the cost of the investigation calculated at the rate of \$69.01 per
3 staff hour devoted to the investigation.

4 **3.5 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director may recover the
5 Department's costs and expenses for prosecuting violations of the Act.

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

7 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC, as set forth in
8 the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis
9 for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and RCW 31.04.205. Therefore, it is the
10 Director's intent to ORDER that:

11 **4.1** Respondents Winnpointe Corporation and Evette Wendy DeLong cease and desist directly or
12 indirectly engaging in any unfair or deceptive practice toward any person; advertising on the
13 Internet that Respondent Winnpointe offers "the lowest fees and rates in the industry," or
14 words to that effect; failing to comply with the Department's investigative authority; and
15 distributing in Washington any false, deceptive, or misleading advertising offering
16 Washington consumers residential mortgage loans until such time as they are able to
17 demonstrate, to the Department's satisfaction, that Respondent Winnpointe Corporation has
18 in place written compliance policies, procedures, and testing systems reasonably designed to
19 detect and prevent the distribution of false, deceptive, or misleading advertising in
20 Washington.

17 **4.2** Respondent Winnpointe Corporation and Respondent Evette Wendy DeLong take remedial
18 affirmative action as is necessary to comply with the Act, including:
19 a. Within 30 days of the entry of a Final Order in this matter, develop and adopt written
20 compliance policies, procedures, and testing systems reasonably designed to detect
21 and prevent the distribution of false, deceptive, or misleading advertising in
22 Washington; and
23 b. Within 60 days of the entry of a Final Order in this matter, provide the Department
24 with a copy of Respondent Winnpointe's written advertising compliance policies.

22 **4.3** Respondent Winnpointe Corporation and Respondent Evette Wendy DeLong jointly and
23 severally pay a fine. As of the date of this Statement of Charges the fine totals \$100,000.

24 **4.4** Respondent Winnpointe Corporation and Respondent Evette Wendy DeLong jointly and
25 severally pay the Department's costs of the investigation. As of the date of this Statement of
Charges the investigation fee totals \$2,760.40.

