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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
Mortgage Broker Practices Act of Washington by:

MICHAEL BRYANT CARPENTER,
Loan Originator,

Respondent.

NO. C-07-486-08-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO REVOKE OR SUSPEND LICENSE,
PROHIBIT FROM INDUSTRY, AND COLLECT
INVESTIGATION FEE

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INTRODUCTION

Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 19.146 RCW, the Mortgage Broker Practices Act (Act)¹. After having conducted an investigation pursuant to RCW 19.146.235, 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 Deborah Bortner, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondent. Michael Bryant Carpenter (Respondent) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a loan originator on February 21, 2007, and has continued to be licensed to date. Respondent was licensed to conduct the business of a loan originator for Mortgage Broker Associates, Inc., a licensed mortgage broker. Respondent's loan originator license is inactive as of the date of this Statement of Charges.

1.2 Prohibited Acts. On or about March 19, 2007, Respondent took a residential mortgage loan application from Borrower X. One of the conditions of the loan was a letter from the Borrower's accountant stating that the Borrower's income would likely continue for at least the next three years. Borrower X's

¹ RCW 19.146 (2006)

1 accountant refused to write such a letter. Instead, on or about April 2, 2007, Borrower X's accountant wrote a
2 letter stating that Borrower X's income would likely continue in to the foreseeable future. Respondent altered
3 this letter to match the lender's requirement and submitted it to the lender as if it had been written by Borrower
4 X's accountant.

5 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
6 Respondent continues to date.

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

8 **2.1 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondent is in
9 apparent violation of RCW 19.146.0201(1) and (2) for directly or indirectly employing a scheme, device or
10 artifice to defraud or mislead borrowers or lenders or any person, and engaging in an unfair or deceptive
11 practice toward any person.

12 **III. AUTHORITY TO IMPOSE SANCTIONS**

13 **3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2)(e), the Director may revoke a license
14 for any violation of the Act.

15 **3.2 Authority to Suspend License.** Pursuant to RCW 19.146.220(2)(e), the Director may suspend a
16 license for any violation of the Act.

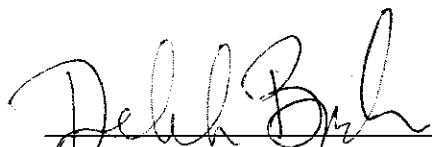
17 **3.3 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue
18 orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker, any loan
19 originator of any licensed mortgage broker for any violation of RCW 19.146.0201(1) through (9).

20 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-660-550(5), the
21 Director may collect the costs of an investigation. The investigation charge will be calculated at the rate of \$48 per
22 hour that each staff person devoted to the investigation.

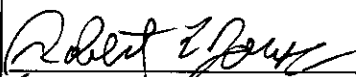
1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Revoke or Suspend License, Prohibit
3 from Industry, Impose Fine, and Collect Investigation Fee (Statement of Charges) is entered pursuant to the
4 provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to
5 the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondent may make a written
6 request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY
7 FOR HEARING accompanying this Statement of Charges.

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9 Dated this 5th day of September, 2008.


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11 
12 DEBORAH BORTNER
13 Director
14 Division of Consumer Services
15 Department of Financial Institutions

16 Presented by:

17 
18 ROBERT E. JONES
19 Financial Legal Examiner



20 Approved by:

21 
22 JAMES R. BRUSSELBACK
23 Enforcement Chief