

Consumer Services - Examination Unit Report

Mortgage Brokerage Commission Meeting – February 26, 2009

Examination Summary

- 6 Exams completed in November
 - 3 Exams completed in December
 - 2 Exams completed in January
- } **11 Exams Completed from November 2008 – January 2009**

The data provided below breaks down the composite rating assigned to the 9 Mortgage Brokers examined:

Composite Rating	Number of Licensees
1	0
2	1
3	8
4	2
5	0

\$18,710.23 requested in Borrower Refunds

Mortgage Brokers referred to the Enforcement Unit: 4

- Unlicensed Main & Branch Offices
- Occupancy Fraud
- Co-brokering loans with unlicensed loan officers
- Stated Income Fraud

Common Violations

1. No Written Explanation of Increased Fees from the GFE to HUD-1
 - Violation of RCW 19.146.030(4) & WAC 208-660-430(16)(f)
2. Failing to correctly disclose the Yield Spread Premium on the GFE
 - Violation of WAC 208-660-430(5)
3. Failing to deposit borrower funds for payment of third party fees into a trust account
 - Violation of RCW 19.146.050(1) and WAC 208-660-410(3)
4. Failing to include LO's license number on mortgage applications and solicitations
 - Violation of WAC 208-660-350(25)
5. Charging unearned underwriting fees
 - Violation of WAC 208-660-006 "Underwriting"
6. Failing to implement a branch office written supervisory plan
 - Violation of WAC 208-660-195(3)