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IN THE MATTER OF DETERMINING

Whether there has been a violation of the Consumer Loan Act of Washington by:

American Home Mortgage Acceptance, Inc.,

American Home Mortgage Corp.,

American Home Mortgage Ventures, LLC, and

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C-07-134-07-TD02

TEMPORARY ORDER TO CEASE AND DESIST

Respondent.

THE STATE OF WASHINGTON TO: American Home Mortgage Acceptance, Inc.,

American Home Mortgage Ventures, LLC, and

American Home Mortgage Corp.

COMES NOW the Director of the Washington State Department of Financial Institutions (Director), by and through his designee Deborah Bortner, Division Director, Division of Consumer Services (designee), and finding that the public is likely to be substantially injured by delay in issuing a cease and desist order, enters this temporary order to cease and desist pursuant to chapter 31.04 RCW, the Consumer Loan Act (Act), based on the following findings:

### I. FACTUAL FINDINGS

- American Home Mortgage Acceptance, Inc., is a subsidiary of American Home Mortgage 1.1 Investment Corp., and is located at 538 Broadhollow Rd., Melville, New York 11747. It is licensed in Washington as a consumer loan company under license no. 28495.
- American Home Mortgage Ventures, LLC, is a subsidiary of American Home Mortgage 1.2 Investment Corp., and is located at 538 Broadhollow Rd., Melville, New York 11747. It is licensed in Washington as a consumer loan company under license no. 41430.
- American Home Mortgage Corp., is a subsidiary of American Home Mortgage Investment 1.3 Corp., and is located at 538 Broadhollow Rd., Melville, New York 11747. It is licensed in Washington as a consumer loan company under license no. 28496.

1.4	American Home Mortgage Investment Corp. does not have sufficient warehouse lines of credit
to fund loans th	at Respondents closed or intended to close with Washington Consumers.

- 1.5 The stock of American Home Mortgage Investment Corp. has dropped considerably.
- 1.6 Respondents presently have closed and unfunded loans outstanding for Washington Consumers.
  - 1.7 Respondents have filed for Chapter 11 Bankruptcy protection.
- 1.8 Respondents are in such financial condition that they cannot continue in business in Washington without there being a substantial likelihood that Washington Consumers will be injured.

# II. GROUNDS FOR ENTRY OF ORDER

2.1 Conducting Business in an Injurious Manner. Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 31.04.165 by conducting business in an injurious manner that creates a reasonable likelihood of a violation of any provision of the Act.

### III. AUTHORITY TO ISSUE TEMPORARY ORDER TO CEASE AND DESIST

and (7) and RCW 31.04.165, whenever the Director determines that the public is likely to be substantially injured by delay in issuing a cease and desist order, the director may immediately issue a temporary cease and desist order. The order may direct the licensee to discontinue any violation of the Act, to take such affirmative action as is necessary to comply with the Act, and may include a summary suspension of the licensee's license and may order the licensee to immediately cease the conduct of business under the Act..

## IV. ORDER

Based on the above Factual Findings, Grounds for Entry of Order, and Authority to Issue Temporary Order to Cease and Desist, and pursuant to RCW 31.04..093 and RCW 31.04.165, the Director determines that the public is likely to be substantially harmed by a delay in entering a cease and desist order. Therefore, the Director ORDERS that:

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- 4.1 Respondents shall immediately cease and desist accepting, from either consumers, mortgage brokers, or other consumer lenders, any applications for residential first or secondary mortgage loans or home equity lines of credit secured by Washington real property or from Washington consumers. For the purposes of this Order, "Washington Consumers" shall include Washington residents and persons that have submitted applications for loans which are, or are intended to be, secured by Washington real property.
- 4.2 Respondents shall immediately cease and desist from advertising its wholesale and retail businesses in Washington or to Washington Consumers.
- 4.3 Respondents shall immediately notify all Washington mortgage applicants or the mortgage applicant's broker, in writing, of the status of any pending applications or loans with Respondents, and shall make all reasonable efforts to place all pending loans with another lender.
- 4.4 Respondents shall immediately notify the Department in writing of the status and/or resolution of all Washington loans that appeared in Respondents' "pipeline" report of August 2, 2007, a copy of which is attached as Exhibit 1.
- 4.5 Respondents will provide a weekly update of the status of all Washington loans remaining in the "pipeline." Additionally, Respondents shall provide contact information, including the names, addresses, and telephone numbers (if available), of all Washington Consumers with purchase loans in Respondent's "pipeline." The "pipeline" report and contact information shall be sent to James R. Brusselback, Program Manager and Enforcement Chief, Consumer Services Division, at <a href="mailto:jbrusselback@dfi.wa.gov">jbrusselback@dfi.wa.gov</a>.
- 4.6 Respondents shall release any liens filed on any Washington real property or filed on property owned by any Washington Consumer as a result of a residential mortgage loan that Respondent originated but did not fund.

PURSUANT TO CHAPTER 31.04 RCW, YOU ARE ENTITLED TO A HEARING WITHIN 14 DAYS OF REQUEST TO DETERMINE WHETHER THIS ORDER SHALL BECOME PERMANENT. IF YOU DESIRE A HEARING, THEN YOU MUST RETURN THE ATTACHED APPLICATION FOR ADJUDICATIVE HEARING INCORPORATED HEREIN BY THIS REFERENCE. FAILURE TO COMPLETE AND RETURN THE APPLICATION FOR ADJUDICATIVE HEARING FORM SO THAT IT IS RECEIVED BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS OF THE DATE THAT THIS ORDER WAS SERVED ON YOU WILL CONSTITUTE A DEFAULT AND WILL RESULT IN THE LOSS OF YOUR RIGHT TO A HEARING. SERVICE ON YOU IS DEFINED AS POSTING IN THE U.S. MAIL, POSTAGE PREPAID, TO YOUR LAST KNOWN ADDRESS. BE ADVISED THAT DEFAULT WILL RESULT IN THIS ORDER TO CEASE AND DESIST BECOMING PERMANENT ON THE TWENTY-FIRST (21ST) DAY FOLLOWING SERVICE OF THIS ORDER UPON YOU.

WITHIN TEN DAYS AFTER YOU HAVE BEEN SERVED WITH THIS TEMPORARY ORDER TO CEASE AND DESIST, YOU MAY APPLY TO THE SUPERIOR COURT OF WASHINGTON IN THE COUNTY OF YOUR PRINCIPAL PLACE OF BUSINESS FOR AN INJUNCTION SETTING ASIDE, LIMITING, OR SUSPENDING THIS ORDER PENDING THE COMPLETION OF THE ADMINISTRATIVE PROCEEDINGS PURSUANT TO THIS NOTICE.

DATED this day of August, 2007.



Director
Division of Consumer Services

Department of Financial Institutions

TEMPORARY ORDER TO CEASE AND DESIST C-07-134-07-TD02

American Home Mortgage Acceptance, Inc.

American Home Mortgage Acceptance, Inc., American Home Mortgage Ventures, LLC, and American Home Mortgage Corp. DEPARTMENT OF FINANCIAL INSTITUTIONS 150 Israel Rd SW PO Box 41200 Olympia, WA 98504-1200

# Exhibit 1

1769960	1767433	1763956	1764884	1758556	1756961	1754406	1753270	1751213	1740845	1733648	1710326	1690179	1702348	1695299	1685944	1670819	1666967	1607137	1596839	1600477	
	268,000.00 Investment	52,500.00 Investment	417,000.00 Primary	125,000.00 Primary	490,000.00 Primary	704,000.00 Primary	114,300.00 Investment	120,113.00 Primary	323,000.00 Primary	220,000.00 Primary	150,000.00 Primary	500,000.00 Secondary	900,000.00 Primary	223,000.00 Primary	121,290.00 Primary	79,110.00 Investment	236,385.00 Primary	273,000.00 Primary	230,000.00 Primary	96,000.00 Primary	
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98204	98422	99224	98012	99206	98001	98008	98520	98937	ें ₹98043	<sub>₹</sub> _,98272	98014	98312	98631	98335	99301	98550	98332	98270	98661	98604	
3595	2489	2003	1235	2293	2678	2461	2447	80	1330	940	2101	2225	1374	2460	2715	2135	2478	2008	2391	2016	
30 Rate & Term	30 Purchase	30 Cash Out Refi	30 Purchase	30 Purchase	30 Purchase	30 Cash Out Refi	30 Purchase	30 Rate & Term	30 Cash Out Refi	30 Cash Out Refi	30 Cash Out Refi	30 Rate & Term	30 Rate & Term	30 Rate & Term	30 Purchase	30 Purchase	30 Purchase	30 Purchase	30 Rate & Term	30 Cash Out Refi	
5/8/2007 Retail	5/7/2007 Retail	5/3/2007 Retail	5/3/2007 Retail	4/30/2007 Retail	4/28/2007 Retail	4/26/2007 Retail	4/25/2007 Retail	4/24/2007 Retail	4/17/2007 Retail	4/11/2007 Retail	3/23/2007 Retail	3/22/2007 Retail	3/20/2007 Retail	3/15/2007 Retail	3/10/2007 Retail	3/1/2007 Retail	2/28/2007 Retail	1/22/2007 Retail	1/18/2007 Retail	1/17/2007 Retail	

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1837891	1834649	1835429	1834369	1833252	1832827	1832418	1829594	1825993	1826507	1826405	1825330	1824166	1823864	1822239	1820712	1820679	1820701	1816408	1815578	1815647	1814606	1812912	1811015	1810098	1809283	1807764	1469804	1779278	1793183	1790295	1789556	1790401	1786111	1779667	1780636	1771300
187,353.00 Primary	248,000.00 Primary	142,759.00 Primary	_	89,100.00 Secondary	114,000.00 Primary	236,698.00 Primary	378,000.00 Primary	236,300.00 Primary	312,000.00 Primary		243,920.00 Primary	481,500.00 Primary	50,000.00 Primary	_	780,000.00 Primary	426,541.00 Primary	_	_		_	400,000.00 Secondary	_	_		_		_	_	145,500.00 Primary	_	_	_	79,900.00 Primary	158,414.00 Primary	500,000.00 Secondary	365,603.00 Primary
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98802	98370	98851	98901	98671	99336	98103	98682	98682	98349	98466	98107	98015	98335	99006	98109	98226	98418	98902	98148	98007	98281	98281	98052	98823	99185	99185	98133	98671	98230	99223	98632	98270	98902	98684	98281	98038
80	2221	80	2715	1330	2715	80	3581	1330	2646	2102	1543	1200	1600	2079	1200	2357	2560	æ	2050	920	1600	2198	933	1335	80	930	3048	2094	2646	930	2229	930	2715	80	1395	86
30 Purchase	30 Cash Out Refi	30 Purchase	30 Purchase	30 Purchase	30 Purchase	30 Purchase	30 Cash Out Refi	30 Cash Out Refi	30 Purchase	30 Cash Out Refi	30 Purchase	30 Purchase	30 Rate & Term	30 Rate & Term	30 Cash Out Refi	30 Purchase	30 Purchase	30 Purchase	30 Cash Out Refi	30 Cash Out Refi	30 Cash Out Refi	30 Cash Out Refi	30 Purchase	30 Purchase	30 Rate & Term	30 Rate & Term	30 Purchase	30 Purchase	30 Cash Out Refi	30 Purchase	30 Rate & Term	30 Purchase	30 Purchase			
7/6/2007 Retail	7/5/2007 Retail	7/3/2007 Retail	7/3/2007 Retail	7/2/2007 Retail	7/2/2007 Retail	6/29/2007 Retail	6/27/2007 Retail	6/25/2007 Retail	6/25/2007 Retail	6/25/2007 Retail	6/23/2007 Retail	6/22/2007 Retail	6/21/2007 Retail	6/20/2007 Retail	6/20/2007 Retail	6/19/2007 Retail	6/19/2007 Retail	6/14/2007 Retail	6/14/2007 Retail	6/14/2007 Retail	6/13/2007 Retail	6/12/2007 Retail	6/11/2007 Retail	6/11/2007 Wholesale	6/8/2007 Retail		5/30/2007 Retail	5/29/2007 Retail								

7/26/2007 Wholesale	30 Rate & Term	2451	98056	WA	349,500.00 Investment	1857611
7/25/2007 Retail	30 Cash Out Refi	80	98901	٧A	143,115.00 Primary	1858161
7/25/2007 Retail	30 Purchase	3763	99206	WA	190,120.00 Primary	1857921
7/25/2007 Retail	30 Purchase	930	99204	WA	159,900.00 Investment	1858166
7/25/2007 Retail	30 Purchase	1330	98813	WA	55,800.00 Secondary	1858699
7/23/2007 Retail	30 Purchase	2715	99362	WA	127,000.00 Primary	1852975
7/23/2007 Retail	30 Purchase	1394	99003	۷A		1854663
7/23/2007 Retail	30 Purchase	2294	98282	WA		1855308
7/23/2007 Retail	30 Cash Out Refi	2646	98292	٧A		1855238
7/23/2007 Retail	30 Cash Out Refi	794	98033	WA	235,000.00 Primary	1855199
7/23/2007 Retail	30 Cash Out Refi	2646	98032	WA		1854574
7/23/2007 Retail	30 Cash Out Refi	2844	98564	٧A	239,000.00 Primary	1855273
7/21/2007 Retail	30 Purchase	80	98951	WA	117,946.00 Primary	1853833
7/20/2007 Retail	30 Cash Out Refi	930	98102	WA	205,000.00 Primary	1848786
7/20/2007 Retail	30 Cash Out Refi	1933	98230	WA	50,000.00 Primary	1853730
7/20/2007 Retail	30 Purchase	3013	98037	٧A	351,960.00 Primary	1853622
7/19/2007 Retail	30 Purchase	3048	98837	WA	178,150.00 Investment	1852355
7/19/2007 Retail	30 Purchase	2214	98607	WA		1851099
7/19/2007 Retail	30 Cash Out Refi	930	98037	WA		1851652
7/19/2007 Retail	30 Purchase	1394	98122	٧A	138,750.00 Primary	1852430
7/19/2007 Retail	30 Purchase	2478	98102	٧A		1851820
7/19/2007 Retail	30 Cash Out Refi	2646	98020	WA		1851906
7/19/2007 Retail	30 Rate & Term	2697	98335	WA		1852005
7/18/2007 Retail	30 Cash Out Refi	2568	99362	WA		1850367
7/18/2007 Retail	30 Purchase	80	98513	WA		1849264
7/18/2007 Retail	30 Cash Out Refi	2646	98116	WA		1850854
7/17/2007 Retail	30 Rate & Term	1629	98229	WA		1848261
7/17/2007 Retail	30 Purchase	3759	98004	٧A		1848482
7/16/2007 Retail	30 Purchase	2208	98335	٧A		1846811
7/16/2007 Wholesale	30 Purchase	3557	98055	٧A		1844247
7/13/2007 Retail	30 Purchase	1541	98245	WA		1814389
7/12/2007 Retail	30 Purchase	1235	98595	٧X		1844609
7/10/2007 Retail	30 Purchase	1394	98604	٧A		1841547
7/9/2007 Retail	30 Purchase	1206	99205	WA	151,200.00 Primary	1836453
7/9/2007 Retail	30 Cash Out Refi	930	98903	٧A	45,001.00 Primary	1839801
7/9/2007 Retail	30 Cash Out Refi	80	98664	WA	283,185.00 Primary	1839522
7/6/2007 Retail	30 Purchase	2715	98902	WA.	79,900.00 Primary	1838266
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7/29/2007 Retail	30 Purchase	93	99701	× ×	270 697 00 Primary	1861638
7/27/2007 Retail	30 Cash Out Refi	930	99205	WA	228,000.00 Primary	1861181
//2//200/ Retail	30 Purchase	*** 2667	98409	WA	185,000.00 Primary	1860330
//2//2007 Retail	30 Purchase	2225	98053	WA	780,000.00 Primary	1860501
//2//200/ Retail	30 Purchase	2447	98052	WA	356,400.00 Investment	1861210
//2//2007 Wholesale	30 Cash Out Refi	80	98010	WA	247,254.00 Primary	1861703
//2//2007 Retail	30 Purchase	2945	98012	₩.	59,180.00 Primary	1861412
//2//2007 Retail	30 Purchase	1133	98012	٧A	236,720.00 Primary	1860808
//26/2007 Retail	30 Purchase	2715	99348	WA	82,400.00 Primary	1859416
//26/200/ Retail	30 Purchase	1694	99204	٧A	185,000.00 Primary	1859747
//26/2007 Retail	30 Purchase	1184	99207	WA	120,000.00 Investment	1859887
7/26/2007 Retail	30 Purchase	940	98660	٧A	169,000.00 Primary	1859677
7/26/2007 Wholesale	30 Cash Out Refi	930	99217	VA A	129,600.00 Primary	1844794
7/26/2007 Retail	30 Purchase	794	98101	WA.	81,750.00 Primary	1858956