Terms Completed

ORDER SUMMARY – Case Number: C-11-0742

Name(s): Brock Robert Strickland

Order Number: C-11-0742-12-CO02

Effective Date: May 24, 2012

License Number: DFI #34457, NMLS #71019
Or **NMLS Identifier** [U/L]
(Revoked, suspended, stayed, application denied or withdrawn)
If applicable, you must specifically note the ending dates of terms.

License Effect: N/A

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: May 7-17, 2012

Investigation Costs	$0	Due	Paid ☐ Y ☐ N	Date
Fine	$3,500	Due	Paid ☒ Y ☐ N	Date: May 21, 2012
Assessment(s)	$0	Due	Paid ☐ Y ☐ N	Date
Restitution	$0	Due	Paid ☐ Y ☐ N	Date
Judgment	$	Due	Paid ☐ Y ☐ N	Date
Satisfaction of Judgment Filed?		☐ Y ☐ N N/A		
No. of Victims:				

Comments: Respondent agrees to cooperate with the Departments case against co-Respondents.

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES

METROPOLITAN MORTGAGE GROUP, INC., ANTHONY E. STETLER, Owner and Designated Broker, BROCK R. STRICKLAND, Loan Originator, KOREY J. PISHA, Loan Originator, SEAN M. STRAUB, Loan Originator, and AARON WILLIAMS, Unlicensed Loan Originator, Respondents.	No.: C-11-0742-12-CO02 CONSENT ORDER BROCK R. STRICKLAND

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Brock R. Strickland, Loan Originator, (Respondent Strickland), and finding that the issues raised in the above-captioned matter, solely as they relate to Respondent Strickland, may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of the Revised Code of Washington (RCW) and RCW 34.05.060 of the Administrative Procedure Act based on the following:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent Strickland have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-11-0742-11-SC01 (Statement of Charges), entered January 6, 2012, (copy attached hereto) solely as they relate to Respondent Strickland. Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondent Strickland hereby agrees to the Department's entry of this Consent Order and further agrees that the issues raised in the above-captioned matter, solely as they relate to Respondent Strickland, may be economically and efficiently settled by entry of this Consent Order. The parties

intend this Consent Order to fully resolve the Statement of Charges. Respondent Strickland is agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

Based upon the foregoing:

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

B. **Waiver of Hearing**. It is AGREED that Respondent Strickland has been informed of the right to a hearing before an administrative law judge, and hereby waives his right to a hearing and any and all administrative and judicial review of the issues raised in this matter, or of the resolution reached herein. Accordingly, Respondent Strickland, by his signature below, withdraws his appeal to the Office of Administrative Hearings.

C. **Prohibition from Industry.** It is AGREED that Respondent Strickland shall be prohibited from participating in the conduct of the affairs of any mortgage broker or consumer lender licensed by the Department, or subject to licensure or regulation by the Department, or any person exempt from Washington law under the Act, for a period of 10 consecutive days. It is further AGREED that Respondent Strickland has served said prohibition from 5/7/12, through 5/17/12, and has filed a Declaration of Inactivity certifying his compliance with the prohibition. It is further AGREED that the Department will not consider this prohibition in any future licensing decisions.

D. **Fine**. It is AGREED that Respondent Strickland shall pay a fine to the Department in the amount of $3,500 in the form of a cashier's check made payable to the "Washington State Treasurer" upon entry of this Consent Order.

E. **Complete Cooperation with the Department.** It is AGREED that, upon written request by the Department, Respondent Strickland shall cooperate fully, truthfully, and completely with the Department and provide any and all information known to him relating in any manner to Metropolitan Mortgage Group, Inc. and Anthony E. Stetler and any and all persons involved or in

any way associated with Metropolitan Mortgage Group, Inc. and Anthony E. Stetler, including, but not limited to, owners, employees, independent contractors, agents, businesses, and persons with whom Metropolitan Mortgage Group, Inc. and Anthony E. Stetler dealt, communicated, or otherwise related, in any such manner as the Department shall direct (i.e. sworn statements, depositions, etc.). It is further AGREED that, upon written request by the Department, Respondent Strickland shall provide any and all documents, writings or materials, or objects or things of any kind in his possession or under his care, custody, or control that he is authorized to possess, obtain, or distribute relating directly or indirectly to all areas of inquiry and investigation. It is further AGREED that Respondent Strickland shall testify fully, truthfully, and completely at any and all proceedings related to any Department investigation or enforcement action or both related to any and all persons involved or in any way associated with Metropolitan Mortgage Group, Inc. and Anthony E. Stetler and any other respondents named therein. A failure to cooperate fully, truthfully, and completely is a breach of this Consent Order.

F. **Non-Compliance with Order**. It is AGREED that Respondent Strickland understands 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, Respondent Strickland may be responsible to reimburse the Director for the cost incurred in pursuing such action, including, but not limited to, attorney fees.

G. **Voluntarily Entered**. It is AGREED that the undersigned Respondent Strickland has voluntarily entered into this Consent Order, which is effective when signed by the Director's designee.

H. **Completely Read, Understood, and Agreed**. It is AGREED that Respondent Strickland has read this Consent Order in its entirety and fully understands and agrees to all of the same.

RESPONDENT:

5-18-12

Brock R. Strickland
Loan Originator

Date

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 24th DAY OF May, 2012

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

STEVEN C. SHERMAN
Financial Legal Examiner

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: METROPOLITAN MORTGAGE GROUP, INC., ANTHONY E. STETLER, Owner and Designated Broker, BROCK R. STRICKLAND, Loan Originator, KOREY J. PISHA, Loan Originator, SEAN M. STRAUB, Loan Originator, and AARON WILLIAMS, Unlicensed Loan Originator, Respondents.	No. C-11-0742-11-SC01 STATEMENT OF CHARGES and NOTICE OF INTENTION TO ENTER AN ORDER TO REVOKE LICENSES, PROHIBIT FROM INDUSTRY, ORDER RESTITUTION, IMPOSE FINES, AND COLLECT INVESTIGATION FEE

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)[1]. After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as of 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 Respondents.

A. **Metropolitan Mortgage Group, Inc. (Metropolitan)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as

[1] RCW 19.146 (2007)

a mortgage broker from on or about July 28, 2003, to on or about December 31, 2009. Respondent Metropolitan was re-licensed to conduct business as a mortgage broker on or about June 7, 2010, and continues to be licensed to date.[2] Respondent Metropolitan is licensed to conduct business from its main office at 811 Kirkland Avenue, Suite 201, Kirkland, Washington, and from eight branch locations in Washington.

B. **Anthony E. Stetler (Stetler)** is Owner and Designated Broker of Respondent Metropolitan. Respondent Stetler was named Designated Broker of Respondent Metropolitan on or about July 28, 2003, and continues to be Designated Broker to date.

C. **Brock R. Strickland (Strickland)** was licensed by the Department to conduct business as a loan originator on or about April 11, 2007, and continues to be licensed to date. Respondent Strickland conducted business as a loan originator for Respondent Metropolitan at all times relevant to the conduct by Respondent Strickland alleged in this Statement of Charges.

D. **Korey J. Pisha (Pisha)** was licensed by the Department to conduct business as a loan originator on or about March 8, 2007, and continues to be licensed to date. Respondent Pisha conducted business as a loan originator for Respondent Metropolitan at all times relevant to the conduct by Respondent Pisha alleged in this Statement of Charges.

E. **Sean M. Straub (Straub)** was licensed by the Department to conduct business as a loan originator on or about May 16, 2007, and continues to be licensed to date. Respondent Straub conducted business as a loan originator for Respondent Metropolitan at all times relevant to the conduct by Respondent Straub alleged in this Statement of Charges.

[2] Respondent Metropolitan was licensed by the Department as a consumer lender from on or about December 31, 2009, to on or about May 24, 2011.

F. **Aaron Williams (Williams)** has never been licensed by the Department for any purpose. Respondent Williams conducted business as a loan originator for Respondent Metropolitan at all times relevant to the conduct by Respondent Williams alleged in this Statement of Charges.

1.2 Examination. From about April 13, 2009, to about April 17, 2009, as part of an ongoing investigation, the Department examined the books and records of Respondent Metropolitan for the period of April 1, 2007, through March 31, 2009. The Department examined 91 residential mortgage loan files.

1.3 Misrepresentation of Borrower Information. In 17 loans (involving at least 8 different borrowers), Respondent Metropolitan's loan originators misrepresented the occupancy status or the borrower's income, or both, or omitted certain other relevant information on applications submitted to lenders.[3]

A. On or about December 8, 2008, borrower E.C. applied with Respondent Metropolitan to refinance a residence on McDougall Avenue in Everett. On the same day, E.C. applied with Respondent Metropolitan to purchase a residence on Grand Avenue in Everett. Respondent Strickland prepared both applications and stated on each that the residence would be E.C.'s primary residence. On the Grand Avenue application, however, the McDougall Avenue residence was listed as a rental property. Additionally, Respondent Strickland stated on the McDougall Avenue application that E.C.'s gross monthly income was $3,950 and that the co-borrower's gross monthly income was $2,500, but stated on the Grand Avenue application that E.C.'s total gross monthly income was $3,991 and the co-borrower's gross monthly income was $2,650.58. The refinance loan subsequently

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[3] All residences are located in Washington.

closed with American Mortgage Network on or about January 12, 2009, and the purchase loan subsequently closed with Washington Federal Savings on or about February 6, 2009.

B. On or about April 13, 2007, borrower K.C. applied with Respondent Metropolitan to refinance a residence in Marysville. Respondent Strickland prepared the application and stated that the residence was to be K.C.'s primary residence. On the same day, Respondent Strickland, acting as a real estate agent for K.C., assisted K.C. with a Residential Real Estate Purchase and Sale Agreement for the purchase of a residence in Granite Falls. On or about May 14, 2007, the refinance loan on the Marysville residence closed with Washington Mutual Bank as owner occupied. The same day, Respondent Strickland prepared an application for K.C. to purchase the Granite Falls residence as a primary residence and listed the Marysville residence as a rental. The Granite Falls purchase subsequently closed with Countrywide Home Loans on or about May 31, 2007.

C. On or about August 1, 2007, borrower C.W. applied with Respondent Metropolitan to refinance a residence on 60th Place in Marysville. Respondent Strickland prepared the application and stated that the residence was to be C.W.'s primary residence. On or about August 20, 2007, Respondent Strickland, acting as a real estate agent for C.W., assisted C.W. with a Residential Real Estate Purchase and Sale Agreement for the purchase of a residence on 51st Avenue in Marysville. Then, on or about September 6, 2007, Respondent Strickland prepared a second application for the refinance of the 60th place residence, but in spite of knowing that C.W. had contracted to purchase the 51st Avenue residence, Respondent Strickland again stated on the refinance application that the 60th Place residence would be C.W.'s primary residence. The refinance loan closed with Washington Mutual Bank on or about September 17, 2007. The next day,

Respondent Strickland prepared an application for C.W. to purchase the 51st Avenue residence as C.W.'s primary residence. The purchase loan subsequently closed with Countrywide Home Loans on or about October 5, 2007.

D. On or about September 25, 2007, borrower E.B. applied with Respondent Metropolitan to refinance a residence in Lynnwood. On the same day, E.B. applied with Respondent Metropolitan to refinance a residence in Bellevue. Respondent Pisha prepared the applications for both refinance transactions and stated on the application for each transaction that the residence was E.B.'s primary residence. Additionally, Respondent Pisha stated E.B.'s gross monthly income on the Lynnwood application to be $8,200, but stated E.B.'s gross monthly income on the Bellevue application to be $10,800. Finally, Respondent Pisha did not list the Bellevue property on the Lynnwood application schedule of real estate owned, and did not list the Lynnwood property on the Bellevue application schedule of real estate owned. The Bellevue refinance subsequently closed with IndyMac Bank on or about October 8, 2007, and the Lynnwood refinance subsequently closed with Washington Mutual Bank on or about October 17, 2007.

E. On or about April 9, 2008, borrower I.C. applied with Respondent Metropolitan to refinance a residence on Oakes Street in Tacoma. Respondent Pisha prepared the application and stated that the residence was I.C.'s primary residence. Respondent Pisha also stated on the application that I.C.'s gross monthly income was $5,500. The application was subsequently submitted to IndyMac Bank. While that application was pending, on or about April 21, 2008, borrower I.C. applied with Respondent Metropolitan to purchase a residence on Sheridan Avenue in Tacoma. Respondent Pisha prepared the application and stated that the residence would be I.C.'s primary residence. Respondent

Pisha also stated on the application that the Oakes Street residence would be a rental. Further, Respondent Pisha stated on the application that I.C.'s gross monthly income was $7,200. The Sheridan Avenue application was subsequently submitted to Countrywide Bank. Both loans were approved on May 2, 2008, as I.C.'s primary residence; with the Oakes Street refinance closing on May 7, 2008, and the Sheridan Avenue purchase closing on May 15, 2008.

F. On or about September 12, 2007, borrower C.C. applied with Respondent Metropolitan to refinance a residence in Marysville. On the same day, C.C. applied with Respondent Metropolitan to purchase a residence in Lake Stevens. Respondent Straub prepared both applications and stated on each that the residence would be C.C.'s primary residence. On the Lake Stevens application, however, Respondent Straub stated that the Marysville residence would be a rental. Additionally, Respondent Straub stated on the Marysville application that C.C.'s gross monthly income was $4,500 and the co-borrower's gross monthly income was $5,000, but on the Lake Stevens application Respondent Straub stated that C.C.'s gross monthly income was $5,750 and the co-borrower's gross monthly income was $7,000. The refinance loan subsequently closed with Countrywide Bank on or about October 1, 2007, and the purchase loan subsequently closed with MortgageIt, Inc. on or about October 16, 2007.

G. On or about October 15, 2007, borrower D.P. applied with Respondent Metropolitan to refinance the first and second mortgages on a residence in University Place. The same day, borrower D.P. applied with Respondent Metropolitan to purchase a residence in Puyallup. Respondent Williams prepared all three applications and stated on each that the residence would be D.P.'s primary residence. On the Puyallup application, however,

Respondent Williams stated that the University Place residence would be a rental. Additionally, on the two University Place refinance applications Respondent Williams stated that D.P.'s gross monthly income was $4,390, but on the Puyallup purchase application Respondent Williams stated that D.P.'s gross monthly income was $6,000. The first mortgage refinance loan subsequently closed with Washington Mutual Bank on or about November 2, 2007; the second mortgage refinance subsequently closed with JP Morgan Chase Bank on or about November 2, 2007; and the Puyallup purchase loan subsequently closed with Wells Fargo Bank on or about November 7, 2007.

H. On or about January 10, 2008, borrower D.K. applied with Respondent Metropolitan to refinance a residence at 5180 McCool Place in Port Orchard. On the same day, D.K. applied with Respondent Metropolitan to purchase a residence at 5201 McCool Place in Port Orchard. Respondent Metropolitan's loan originator Alicia Hall (LO Hall) prepared the applications for both loans and stated in each that the residence would be D.K.'s primary residence. On the purchase loan application, however, LO Hall stated that the residence at 5180 McCool Place would be a rental. Additionally, on the refinance application LO Hall stated that the co-borrower's gross monthly income was $807.86, but on the purchase application LO Hall stated that the co-borrower's gross monthly income was $958. The refinance loan subsequently closed with Lehman Brothers Bank on or about February 15, 2008, and the purchase loan subsequently closed with IndyMac Bank on or about March 31, 2008.

1.4 Unlicensed Loan Originator Activity. Respondents Metropolitan and Stetler permitted at least two unlicensed loan originators to assist borrowers in obtaining residential mortgage loans in at least five transactions. At all times relevant to the loan transactions set forth in paragraph 1.3 G,

above, Respondent Williams was not licensed to conduct business in Washington as a loan originator. Respondents Metropolitan and Stetler collected at least $8,691.08 in fees at the closing of these transactions. Similarly, at all times relevant to the loan transactions set forth in paragraph 1.3 H, above, LO Hall was not licensed to conduct business as a loan originator in Washington. Respondents Metropolitan and Stetler collected at least $15,072.39 in fees at the closing of these transactions.

1.5 Failure to Deliver Complete Rate Lock Disclosures. In at least 40 loans, Respondents Metropolitan and Stetler either did not deliver a rate lock disclosure (8 loans) or delivered a rate lock disclosure that was not properly completed (32 loans).

1.6 Failure to Deliver Complete Rate Lock Agreements. In at least 46 loans, Respondents Metropolitan and Stetler either did not deliver a rate lock agreement (44 loans) or delivered a rate lock agreement that was not properly completed (2 loans).

1.7 Failure to Display License Numbers. In at least 56 loans, 24 loan originators operating under Respondent Metropolitan's mortgage broker license did not display their loan originator license numbers on residential mortgage loan applications.

1.8 Failure to Provide Complete and Accurate Good Faith Estimate Disclosures. In at least 55 loans, Respondent Metropolitan either did not provide a Good Faith Estimate (GFE) disclosure specifying all fees which inured to the benefit of Respondent (53 loans), did not provide the GFE within three business days of obtaining a credit report of a borrower who has identified property for purchase or refinance (5 loans), or listed its mortgage broker fees on line 801 of the GFE, which is reserved for the lender's loan origination fee (16 loans).[4]

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[4] Several GFEs contain more than one of the listed deficiencies.

1.9 Failure to Deliver Variable Rate Program Disclosures. In at least eight loans, Respondent Metropolitan did not deliver a variable rate program disclosure.

1.10 Collecting Unlawful Fees. In one loan, Respondent Metropolitan collected from the borrower a $495 underwriting fee when Respondent Metropolitan was not the lender and had no authority to conduct underwriting. In a second loan, Respondent Metropolitan collected from the borrower an increased processing fee of $150 without providing a written explanation for the increase.

1.11 Failure to Properly Disclose Yield Spread Premiums. In at least 29 loans, Respondent Metropolitan did not properly disclose the Yield Spread Premium by not using the words "yield spread premium," not expressing it as a dollar amount or dollar amount range, or both. In another 15 loans, Respondent Metropolitan did not disclose the Yield Spread Premium on the GFE at all.

1.12 Failure to Provide Accurate Truth-in-Lending Act Disclosures. In at least 19 loans, Respondent Metropolitan did not provide accurate Truth-in-Lending Act Disclosures (TIL) by either not marking the box identifying a variable rate feature, not accurately disclosing the annual percentage rate (APR), finance charge, and amount financed, disclosing a fixed payment stream on a variable rate loan, or not completing the bottom section of the TIL. In at least 1 of those loans, the TIL was not provided within 3 business days of obtaining a credit report of a borrower who has identified property for purchase or refinance. In an additional 4 loans, a TIL was not provided within 3 business days of obtaining a credit report of a borrower who has identified property for purchase or refinance.

1.13 Failure to Disclose Changes in Terms. In at least four loans, Respondent Metropolitan did not disclose to the borrower in writing, at least three days before closing, that a term or condition of the loan had changed.

1.14 Failure to Provide Real Estate Agent Disclosures. In at least three loans, Respondent Strickland acted as both the real estate agent and the loan originator, but the borrowers were not provided a written disclosure notifying the borrower that he or she was not required to use Respondent Strickland as the loan originator.

1.15 Advertising Violations. In at least 14 advertisements, Respondent Metropolitan used the term "lowest rates" (1 advertisement), did not include the loan originator's license number (7 advertisements), did not conspicuously disclose the APR (3 advertisements), disclosed a loan payment amount without stating if taxes, insurance, or other products sold to the borrower were included (3 advertisements), or advertised a free appraisal (1 advertisement).[5]

1.16 Failure to Provide Home-Equity Line of Credit Disclosures. In at least three loans, Respondent Metropolitan did not provide home-equity line of credit disclosures.

1.17 Failure to Properly Maintain Records. To the extent that Respondents Metropolitan and Stetler claim to have completed or provided those documents which could not be found in the examined loan files, Respondents Metropolitan and Stetler did not properly maintain those records.

1.18 On-Going Investigation. The Department's investigation into the alleged violations of the Act by Respondents continues to date.

II. GROUNDS FOR ENTRY OF ORDER

2.1 Responsibility for Conduct of Loan Originators. Pursuant to RCW 19.146.245, a licensed mortgage broker is liable for any conduct violating the Act by the designated broker or a loan originator while employed or engaged by the licensed mortgage broker.

2.2 Responsibility of Designated Broker. Pursuant to RCW 19.146.200(4), every licensed mortgage broker must at all times have a designate broker responsible for all activities of the

[5] One advertisement contained two of the listed violations.

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
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mortgage broker in conducting the business of a mortgage broker. A designated broker, principal, or owner who has supervisory authority over a mortgage broker is responsible for a licensee's, employee's, or independent contractor's violations of the Act if the designated broker, principal, or owner, with knowledge of the specific conduct, approves or allows the conduct, or by the exercise of reasonable care and inquiry should have known of the conduct at a time when its consequences can be avoided or mitigated and fails to take reasonable remedial action.

2.3 Definition of Loan Originator. Pursuant to RCW 19.146.010(11) and WAC 208-660-006, "Loan originator" means a natural person who for direct or indirect compensation or gain, or in the expectation of direct or indirect compensation or gain, takes a residential mortgage loan application for a mortgage broker, offers or negotiates terms of a mortgage loan, or holds themselves out to the public as able to perform any of these activities.

2.4 Prohibition against Misrepresentation of Borrower Information. Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.0201(1), (2), and (3) for misrepresenting borrower information on loan applications.

2.5 Requirement to Obtain and Maintain a Loan Originator License. Based on the Factual Allegations set forth in Section I above, Respondent Williams is in apparent violation of RCW 19.146.0201(2) and (3), RCW 19.146.200(1), and WAC 208-660-155 for conducting business as a loan originator without having first obtained a license from the Department.

2.6 Requirement to use Licensed Loan Originators. Based on the Factual Allegations set forth in Section I above, Respondents Metropolitan and Stetler are in apparent violation of RCW 19.146.0201(2) and (3), RCW 19.146.200(1), and WAC 208-660-155 for utilizing the services of unlicensed loan originators to assist borrowers with applying for and obtaining residential mortgage loans through Respondent Metropolitan.

2.7 Requirement to Deliver Complete Rate Lock Disclosures. Based on the Factual Allegations set forth in Section I above, Respondents Metropolitan and Stetler are in apparent violation of RCW 19.146.0201(2) and (6) and RCW 19.146.030(2)(c) for failing to deliver complete rate lock disclosures.

2.8 Requirement to Deliver Complete Rate Lock Agreements. Based on the Factual Allegations set forth in Section I above, Respondents Metropolitan and Stetler are in apparent violation of RCW 19.146.0201(2) and (6) and RCW 19.146.030(2)(c) for failing to deliver complete rate lock agreement.

2.9 Requirement to Display License Numbers. Based on the Factual Allegations set forth in Section I above, Respondents Metropolitan and Stetler are in apparent violation of RCW 19.146.0201(2) and WAC 208-660-350(26) for failing to ensure that all loan originators display their loan originator numbers on residential mortgage loan applications.

2.10 Requirement to Provide a Complete and Accurate Good Faith Estimate Disclosure. Based on the Factual Allegations set forth in Section I above, Respondents Metropolitan and Stetler are in apparent violation of RCW 19.146.0201(2), (3), (6), and (13), RCW 19.146.030(1), and WAC 208-660-430(19) for failing to provide complete and accurate Good Faith Estimate disclosures.

2.11 Requirement to Deliver Variable Rate Program Disclosures. Based on the Factual Allegations set forth in Section I above, Respondents Metropolitan and Stetler are in apparent violation of RCW 19.146.0201(2) and (6) and RCW 19.146.030(2)(a) for failing to deliver variable rate program disclosures.

2.12 Prohibition against Collecting Unlawful Fees. Based on the Factual Allegations set forth in Section I above, Respondents Metropolitan and Stetler are in apparent violation of RCW

19.146.0201(2), (3), (6), and (13), RCW 19.146.030(4), and WAC 208-660-006 for collecting unlawful fees and failing to provide a written explanation for an increase in fees.

2.13 Requirement to Properly Disclose Yield Spread Premium. Based on the Factual Allegations set forth in Section I above, Respondents Metropolitan and Stetler are in apparent violation of RCW 19.146.0201(2) and (11) and WAC 208-660-430(5) for failing to properly disclose the Yield Spread Premium.

2.14 Requirement to Provide Accurate Truth-in-Lending Disclosures. Based on the Factual Allegations set forth in Section I above, Respondents Metropolitan and Stetler are in apparent violation of RCW 19.146.0201(2), (6), (7), and (11) and RCW 19.146.030(2)(a) for failing to provide accurate Truth-in-Lending disclosures.

2.15 Requirement to Disclose Changes in Terms. Based on the Factual Allegations set forth in Section I above, Respondents Metropolitan and Stetler are in apparent violation of RCW 19.146.0201(2) and (7) and WAC 208-660-430(18) for failing to disclose changes in the terms of a loan.

2.16 Requirement to Provide Real Estate Agent Disclosure. Based on the Factual Allegations set forth in Section I above, Respondents Metropolitan and Stetler are in apparent violation of RCW 19.146.0201(2), (3), and (14) for failing to provide a written real estate agent disclosure.

2.17 Prohibition against Advertising Violations. Based on the Factual Allegations set forth in Section I above, Respondents Metropolitan and Stetler are in apparent violation of RCW 19.146.0201(2) and (10), WAC 208-660-350(26), WAC 208-660-440(3), (4), and (7), and WAC 208-660-500(3)(f) for advertising using the term "lowest rates," failing to include the loan originator's license number in advertisements, failing to conspicuously disclose the APR in advertisements, disclosing a loan payment amount in an advertisement without stating if taxes,

insurance, or other products sold to the borrower were included in the payment, and advertising a free appraisal.

2.18 Requirement to Provide Home-Equity Line of Credit Disclosures. Based on the Factual Allegations set forth in Section I above, Respondents Metropolitan and Stetler are in apparent violation of RCW 19.146.0201(2) and (11) for failing to provide home-equity line of credit disclosures,

2.19 Requirement to Properly Maintain Records. Based on the Factual Allegations set forth in Section I above, to the extent that Respondents Metropolitan and Stetler claim to have completed or provided those documents which could not be found in the examined loan files, Respondents Metropolitan and Stetler are in apparent violation of RCW 19.146.0201(2), RCW 19.146.060(2), and WAC 208-660-450 for failing to keep all books and records in a location that is on file with and readily available to the Department until at least twenty-five months have elapsed following the effective period to which the books and records relate.

III. AUTHORITY TO IMPOSE SANCTIONS

3.1 Authority to Revoke License. Pursuant to RCW 19.146.220(2), the Director may revoke licenses for any violation of the Act.

3.2 Authority to Prohibit from Industry. Pursuant to RCW 19.146.220(5), the Director may issue orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9) or (13), RCW 19.146.030 through RCW 19.146.080, or RCW 19.146.200.

3.3 Authority to Order Restitution. Pursuant to RCW 19.146.220(2), the Director may order restitution against licensees or other persons subject to the Act for any violation of the Act.

3.4 Authority to Impose Fine. Pursuant to RCW 19.146.220(2), the Director may impose fines against a licensee or other persons subject to the Act for any violation of the Act. Pursuant to RCW 19.146.220(3), the Director may impose fines on an employee, loan originator, independent contractor, or agent of the licensee, or other person subject to the Act for any violations of RCW 19.146.0201(1) through (9) or (13), RCW 19.146.030 through RCW 19.146.080, or RCW 19.146.200.

3.5 Authority to Collect Investigation Fee. Pursuant to RCW 19.146.228(2), WAC 208-660-520(9) & (11), and WAC 208-660-550(5)(a), the Department will charge $48 per hour for an examiner's time devoted to an investigation of a licensee or other person subject to the Act.

IV. NOTICE OF INTENTION TO ENTER ORDER

Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221, and RCW 19.146.223. Therefore, it is the Director's intention to ORDER that:

4.1 Respondent Metropolitan Mortgage Group, Inc.'s license to conduct the business of a mortgage broker be revoked.

4.2 Respondent Brock R. Strickland's license to conduct the business of a loan originator be revoked.

4.3 Respondent Korey J. Pisha's license to conduct the business of a loan originator be revoked.

4.4 Respondent Sean M. Straub's license to conduct the business of a loan originator be revoked.

4.5 Respondents Metropolitan Mortgage Group, Inc., Anthony E. Stetler, Brock R. Strickland, Korey J. Pisha, Sean M. Straub, and Aaron Williams each be prohibited from participation in the conduct of the affairs of any mortgage broker subject to licensure by the Director, in any manner, for a period of five years.

4.6 Respondents Metropolitan Mortgage Group, Inc. and Anthony E. Stetler jointly and severally pay a fine which as of the date of this Statement of Charges totals $250,000.

4.7 Respondent Brock R. Strickland pay a fine which as of the date of this Statement of Charges totals $10,000.

4.8 Respondent Korey J. Pisha pay a fine which as of the date of this Statement of Charges totals $7,500.

4.9 Respondent Sean M. Straub pay a fine which as of the date of this Statement of Charges totals $5,000.

4.10 Respondent Aaron Williams pay a fine which as of the date of this Statement of Charges totals $5,000.

4.11 Respondents Metropolitan Mortgage Group, Inc. and Anthony E. Stetler jointly and severally pay restitution totaling $71,299.10 to the borrowers identified in Appendix A of this Statement of Charges.

4.12 Respondents Metropolitan Mortgage Group, Inc. and Anthony E. Stetler jointly and severally pay an investigation fee which as of the date of this Statement of Charges totals $11,040.

4.13 Respondents Metropolitan Mortgage Group, Inc. and Anthony E. Stetler maintain records in compliance with the Act and provide the Department with the location of the books, records and other information relating to Respondents Metropolitan and Stetler's mortgage broker business, and the name, address, and telephone number of the individual responsible for maintenance of such records in compliance with the Act.

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V. AUTHORITY AND PROCEDURE

This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

Dated this 6th day of January, 2012.

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

STEVEN C. SHERMAN
Financial Legal Examiner

Approved by:

JAMES R. BRUSSELBACK
Enforcement Chief