STATE OF ALASKA DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT DIVISION OF BANKING and SECURITIES 550 WEST SEVENTH AVENUE, SUITE 1940 ANCHORAGE, ALASKA 99501

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STATE OF ALASKA

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF BANKING AND SECURITIES
550 WEST SEVENTH AVENUE, SUITE 1940
ANCHORAGE, ALASKA 99501

IN THE MATTER OF:)

Residential Acceptance Network, Inc.,) CONSENT ORDER
Case No.: 500009001

Respondent.

I. INTRODUCTION

The Alaska Department of Commerce, Community, and Economic Development, Division of Banking and Securities, ("Division") administers the Alaska Mortgage Lending Regulation Act, Alaska Statutes ("AS") 06.60. Having conducted an investigation under AS 06.60.250, the Division finds as follows:

II. FACTUAL ALLEGATIONS

2.1. Respondent.

A. Residential Acceptance Network, Inc., ("Respondent") maintains a principal place of business at 268 West 400 South, Third Floor, Salt Lake City, Utah 84101.

2.2. Factual Background.

A. On June 30, 2008, Respondent was operating as a mortgage broker and/or mortgage lender in Alaska. On June 30, 2008, individuals working as employees or under exclusive contract for Respondent were operating as originators in Alaska.

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24 CONSENT ORDER

PAGE 1 OF 7 CASE NO.: 500009001

ITMO: RESIDENTIAL ACCEPTANCE NETWORK, INC.

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B. On June 30, 2008, Respondent and individual originators working as employees or under exclusive contract for Respondent were operating under a current Alaska business license issued under AS 43.70.

- Neither Respondent nor the originators working as employees or under exclusive contract for Respondent were licensed in Alaska under AS 06.60 on March 1, 2009.
- D. On March 26, 2009, an Alaskan complainant provided the Division with a copy of an advertisement from Respondent addressed to the complainant's mailing address and offering to provide services for which a license is required under AS 06.60.
- E. By letter dated April 7, 2009, the Division notified Respondent of its apparent failure to comply with the licensing requirements of AS 06.60.
- F. On April 15, 2009, the Division asked Respondent to submit a copy of mortgage loan documentation for Alaska property received by Respondent on or after March 1, 2009, and Respondent's advertising by mail. On April 15, 2009, in response to this request Respondent provided the Division with (1) a copy of two applications for loans from Alaska residents, each executed by the prospective borrower(s) on March 24, 2009; and (2) copies of sample advertising materials of Respondent, similar in appearance to the advertisement received by the Alaskan complainant.
- G. As of April 15, 2009, Respondent agreed to stop conducting any activity for which a license under AS 06.60 is required, including advertising and originating loans in Alaska, until Respondent and the individuals working as employees or under exclusive contract for Respondent as originators are licensed under AS 06.60.

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24 CONSENT ORDER ITMO: RESIDENTIAL ACCEPTANCE NETWORK, INC.

PAGE 2 OF 7 CASE NO.: 500009001

2.3. Prohibited Acts.

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- A. From March 1, 2009, to April 15, 2009, Respondent operated as a mortgage broker and/or mortgage lender in Alaska without being licensed under AS 06.60 as a mortgage licensee.
- B. From March 1, 2009, to April 15, 2009, individuals working as employees or under exclusive contract for Respondent were operating as originators in Alaska without being licensed under AS 06.60.

III. LEGAL STANDARDS

- 3.1. Enactment of Licensing Requirements. The Alaska Mortgage Lending Regulation Act, AS 06.60, which requires the licensing of mortgage lenders, brokers, and originators, became effective July 1, 2008.
- 3.2. License Requirement for Mortgage Broker or Mortgage Lender. AS 06.60.010(a), a person, including a person doing business from outside the state, may not operate as a mortgage lender or mortgage broker in this state unless the person is licensed under AS 06.60.
- 3.3. License Requirement for Originator. Under AS 06.60.010(b), a person may not operate as an originator in the state unless the person is a natural person who is licensed as an originator under AS 06.60 and who works under exclusive contract for, or an employee of, a mortgage licensee.
- **3.4. Definition of Mortgage Licensee.** Under AS 06.60.990(18), "mortgage licensee" means a mortgage lender licensee or a mortgage broker licensee.
- **3.5.** Licensing for Existing Industry Participants. Under sec. 10, ch. 50, SLA 2007, and 3 AAC 14.090, a person who was engaging on June 30, 2008, in activities for which a license is

CONSENT ORDER ITMO: RESIDENTIAL ACCEPTANCE NETWORK, INC.

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required under AS 06.60 was not required to comply with the licensing requirements of AS 06.60 until March 1, 2009.

- 3.6. Business License as Indicator of Industry Participation on June 30, 2008. Under sec. 10, ch. 50, SLA 2007 and 3 AAC 14.090, the Division considers a person to be engaging in activities for which a license was required under AS 06.60 on June 30, 2008, if the person was operating as a mortgage broker, mortgage lender, or originator on June 30, 2008 under a current business license issued under AS 43.70 for that purpose.
- **3.7.** Application to Internet Activities. Under AS 06.60.890, AS 06.60 applies to a person if the person is engaging in the activities regulated by AS 06.60 by using an Internet website from within or outside the state.
- 3.8. Business from Outside this State. Under 3 AAC 14.030, a person doing business from outside this state under AS 06.60.010(a) includes a person doing business via the Internet, through the mail or a private delivery service, by telephone, or by other means of interstate communication.
- **3.9.** Operating in this State. Under 3 AAC 14.035, a person operates as a mortgage broker, mortgage lender, small mortgage lender, originator, or small mortgage originator in this state if the person communicates with a resident of this state or a person present in this state. whether in person, in writing, via the Internet, through the mail or a private delivery service, by telephone, or by other means of intrastate or interstate communication.

IV. AGREEMENT AND ORDER

4.1. Parties' Intent. The parties intend this agreement to be a full and final settlement of the violations described above.

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24 CONSENT ORDER ITMO: RESIDENTIAL ACCEPTANCE NETWORK, INC.

PAGE 4 OF 7 CASE NO.: 500009001

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- **4.2. Jurisdiction.** It is agreed that the Division has jurisdiction over the subject matter of the activities described above.
- 4.3. Voluntarily Entered. Respondent has freely and voluntarily entered into this Consent Order.
- 4.4. Fine/Reimbursement. Respondent agrees to pay to the Division a fine of \$1,125 and reimbursement of investigative expenses of \$150, for a total payment of \$1,275 in the form of a check made payable to the State of Alaska, delivered to the attention of Linette Lacy, Investigator, Division of Banking and Securities, Department of Commerce, Community, and Economic Development, 550 West Seventh Avenue, Suite 1940, Anchorage, Alaska 99501.
- **4.5.** Payment Due Date. Payment under paragraph 4.4 is due (shall be postmarked) no later than thirty days after this fully-executed Consent Order is delivered to Respondent.
- 4.6. Authority to Execute Order. The undersigned warrant that they have full power and right to execute this Consent Order on behalf of the parties.
- 4.7. Representatives/Successors. This Consent Order shall be binding on all employees, agents, officers, directors, and other representatives, successors, or assigns of Respondent.
- 4.8. Waiver of Hearing. Respondent has been informed of its right to a hearing before an administrative law judge, and has waived its right to a hearing and any administrative and judicial review of the Consent Order or the issues raised in this matter. Respondent understands and agrees that it is relieving the Division of the burden of proving the facts admitted in this Consent Order.
- 4.9. Non-compliance with Order. Respondent understands that its failure to abide by the terms and conditions of this Consent Order may provide grounds for the denial of licensure or for further legal action by the Division, including an action to revoke or suspend licensure of Respondent or its originators. If Respondent fails to perform its obligations under this Consent

Order, Respondent shall reimburse the Division for its costs, including attorney's fees, incurred in pursing such legal action. 4.10. Agreement Read and Understood/Advice of Counsel. Respondent has read and

understands this Consent Order in its entirety, having had an unrestricted opportunity to obtain the advice of counsel in regard to the meaning of this Consent Order.

4.11. Amendment. This Consent Order may be modified only by written amendment signed by both parties.

4.12. Effective Date. This agreement is effective when signed by the Division Director.

Residential Acceptance Network, Inc.

05-14-09 /s/ Greg Walker DATED: By: Greg Walker Its: President

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24 CONSENT ORDER

ITMO: RESIDENTIAL ACCEPTANCE NETWORK, INC.

PAGE 6 OF 7 CASE NO.: 500009001

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ACKNOWLEDGMENT

1	ACKNOWLEDGMENT	
2	STATE OF Utah	
3	COUNTY OF Salt Lake	
4	I HEREBY CERTIFY that on the 14th day of May , 2009	
5	before me, the undersigned, a Notary Public in and for the State of Utah, personally	
6	appeared Greg Walker, known to me to be the person whose name is subscribed to this Consen	
7	Order, who stated that he is the president of Residential Acceptance Network, Inc., and is authorized to sign on its behalf, and acknowledged that he executed the same voluntarily and of his	
8	own will for the uses and purposes set forth therein.	
9	SUBSCRIBED AND SWORN TO before me this,14th day of	
10	May , 2009.	
11	/s/ Renee I Rogers Notary Public in and for the Salt Lake County of Salt Lake	
12	County of _ Salt Lake NOVEMBER 18, 2010 County of _ Utah	
13	My commission expires: 11/13/2012	
14		
15	Alaska Department of Commerce, Community, and	
	Economic Development Division of Banking and Securities	
16	/a/ Loria I. Hayranac	
17	DATED: 05-20-09 By: /s/ Lorie L. Hovanec Lorie L. Hovanec, Director	
18		
19	Contact Person:	
20	Ms. Linette Lacy, Investigator Alaska Department of Commerce, Community, and Economic Development	
21	Division of Banking and Securities	
22	550 West Seventh Avenue, Suite 1940 Anchorage, Alaska 99501	
23	(907) 269-8188	
24	CONGENTIONDED	
25	CONSENT ORDER PAGE 7 OF 7 ITMO: RESIDENTIAL ACCEPTANCE NETWORK, INC. CASE NO.: 500009001	
NEW PROPERTY AND ADDRESS OF THE PERSON NAMED IN COLUMN 1		