

KC MOHSENI
Commissioner
MARY ANN SMITH
Deputy Commissioner
SEAN M. ROONEY
Assistant Chief Counsel
ALLARD C CHU (State Bar No. 328121)
Senior Counsel
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
Telephone: (213) 799-9726
Facsimile: (213) 576-7181
Email: allard.chu@dfpi.ca.gov

Attorneys for Complainant

BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
OF THE STATE OF CALIFORNIA

In the Matter of:

NMLS ID NO.: 2289

THE COMMISSIONER OF FINANCIAL
PROTECTION AND INNOVATION,

CONSENT ORDER

Complainant,

v.

FAIRWAY INDEPENDENT MORTGAGE
CORPORATION,

Respondent.

This Consent Order is entered into between the Commissioner of Financial Protection and Innovation (Commissioner) and Fairway Independent Mortgage Corporation (Fairway or Respondent), to resolve concerns involving unlicensed mortgage loan origination activity, and is made with respect to the following facts:

I.

Recitals

A. This Consent Order is made with respect to the following findings:

B. The Commissioner is the head of the Department of Financial Protection and Innovation (Department) and is responsible for administering and enforcing the California

Financing Law (CFL) (Fin. Code, § 22000 *et seq.*)¹ and California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 *et seq.*), including licensure of brokers, lenders, and mortgage loan originators.

C. Sections 22100(b) of the CFL and 50002.5(a) of the CRMLA require every licensee engaging in the business of making or brokering residential mortgage loans to require every mortgage loan originator employed or compensated by that licensee to obtain and maintain a mortgage loan originator license.

D. Fairway Independent Mortgage Corporation is a Texas corporation with a primary business address at 4750 S. Biltmore Lane, Madison, Wisconsin 53718.

E. During periods of time between 2021 and 2022, Fairway had a licensed California branch location where unlicensed, non-loan officer employees conducted activities that required licensure in California as a mortgage loan originator. The California branch and branch manager are no longer associated with Fairway as of 2022. Fairway has since taken steps to enhance its oversight of unlicensed employees.

F. Fairway has fully cooperated with the Commissioner’s investigation through prompt responses to requests and indicated its intent to cooperate on any further requests from the Commissioner.

G. Fairway neither admits nor denies any of the findings contained in this Consent Order.

H. The Commissioner finds that entering into this Consent Order is in the public interest and consistent with the purposes fairly intended by the policy and provisions of the CFL and CRMLA.

NOW, THEREFORE, in consideration of the foregoing and the terms and conditions set forth herein, the parties agree as follows.

II.

Terms and Conditions

1. **Purpose.** This Consent Order resolves the issues before the Commissioner relating to

¹ All further statutory references are to the Financial Code unless otherwise indicated.

1 this matter, in a manner that avoids the expense of a hearing and other possible court proceedings,
2 protects consumers, is in the public interest, and is consistent with the purposes and provisions of
3 the applicable laws.

4 2. Order to Discontinue Violations. Fairway hereby agrees that in accordance with
5 California Financial Code sections 22712 and 50321, it will immediately discontinue violating
6 California Financial Code sections 22100 and 50002.5.

7 3. Declaration of Measures Taken. Fairway agrees to submit to the Commissioner a
8 declaration under the penalty of perjury (Declaration) satisfactory to the Commissioner from an
9 officer with personal knowledge of Fairway's policies and procedures that sets forth all
10 enhancements implemented as of the date of this Consent Order by Fairway to ensure compliance
11 with Financial Code sections 22100 and 50002.5.

12 4. Cooperation. Respondent agrees to cooperate in any and all enforcement matters of
13 the Commissioner, including any and all investigations, cases, and legal proceedings by or
14 otherwise involving the Commissioner. Respondent's cooperation shall include, but is not limited
15 to, providing testimony at legal proceedings, providing sworn declaration(s), and producing
16 documents and records related to this matter within 15 calendar days of a request by the
17 Commissioner. Respondent shall cooperate in good faith, including by exercising due diligence in
18 responding to any and all requests by the Commissioner and responding to any and all requests on a
19 priority basis.

20 5. Penalty. Fairway shall pay an administrative penalty of \$160,000.00 (Penalty) to the
21 Commissioner. Payment of the Penalty shall be made concurrent with or prior to Fairway's signing
22 of this Consent Order. The Penalty payments should be made in the form of an Automated Clearing
23 House deposit to the "Department of Financial Protection and Innovation" and transmitted to the
24 attention of: Accounting – Enforcement Division, Department of Financial Protection and
25 Innovation, 651 Bannan Street, Suite 300, Sacramento, California 95811. Notice of each such
26 Penalty payment shall be forwarded to Allard Chu, Senior Counsel, at the e-mail address noted in
27 Paragraph 20.

28 6. Independent Audit. Fairway agrees to engage (at its own expense) an independent

1 compliance auditing firm, approved by the Commissioner, (Independent Auditor) to conduct an
2 independent audit of unlicensed mortgage loan originator activity from January 1, 2023, to the
3 Effective Date of this Consent Order. Fairway shall pay an administrative penalty of \$500 per past
4 or present employee found in the audit to have engaged in unlicensed mortgage loan originator
5 activity. Fairway shall deliver a final report from the Independent Auditor identifying any
6 unlicensed mortgage loan originator activity by six months after the Effective Date of this Consent
7 Order.

8 7. Information Willfully Withheld or Misrepresented. Notwithstanding paragraph 13,
9 this Consent Order may be rescinded and the Commissioner may pursue any and all remedies
10 available under law against Respondent if the Commissioner discovers that Respondent knowingly
11 or willfully withheld or misrepresented material information.

12 8. Future Actions by Commissioner. If Respondent fails to comply with any terms of
13 the Consent Order, the Commissioner may institute proceedings for any and all violations otherwise
14 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions
15 against Respondent for any and all unknown violations of the CFL or CRMLA.

16 9. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner's
17 ability to assist any other government agency (city, county, state, or federal) with any
18 administrative, civil, or criminal prosecution brought by that agency against Respondent or any
19 other person based upon any of the activities alleged in this matter or otherwise.

20 10. Waiver of Hearing Rights. Respondent acknowledges that the Commissioner is
21 ready, willing, and able to proceed with the filing of an administrative enforcement action on the
22 findings described in the recitals. Respondent hereby waives the right to any hearings, any
23 reconsideration, appeal, or other right to review which may be afforded by the CFL, CRMLA, the
24 California Administrative Procedure Act (APA), the California Code of Civil Procedure (CCP), or
25 any other provision of law. By waiving such rights, Respondent effectively consents to the finality
26 of this Consent Order.

27 11. Headings. The headings to the paragraphs of this Consent Order are inserted for
28 convenience only and will not be deemed a part hereof or affect the construction or interpretation of

1 the provisions hereof.

2 12. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
3 interest.

4 13. Reliance. Each of the parties represents, warrants, and agrees that in executing this
5 Consent Order it has relied solely on the statements set forth herein and the advice of its own
6 counsel, if represented. Each of the parties further represents, warrants, and agrees that in executing
7 this Consent Order it has placed no reliance on any statement, representation, or promise of any
8 other party, or any other person or entity not expressly set forth herein, or upon the failure of any
9 party or any other person or entity to make any statement, representation or disclosure of anything
10 whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in
11 any way fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of
12 parol evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

13 14. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
14 this Consent Order will be valid or binding unless it is in writing and signed by each of the parties.
15 The waiver of any provision of this Consent Order will not be deemed a waiver of any other
16 provision. No waiver by either party of any breach of, or of compliance with, any condition or
17 provision of this Consent Order by the other party will be considered a waiver of any other
18 condition or provision or of the same condition or provision at another time.

19 15. Full Integration. This Consent Order is the final written expression and the complete
20 and exclusive statement of all the agreements, conditions, promises, representations, and covenant
21 between the parties with respect to the subject matter hereof, and supersedes all prior or
22 contemporaneous agreements, negotiations, representations, understandings, and discussions
23 between and among the parties, their respective representatives, and any other person or entity, with
24 respect to the subject matter covered herein.

25 16. Governing Law. This Consent Order will be governed by and construed in
26 accordance with California law. Each of the parties hereto consents to the jurisdiction of such court,
27 and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient
28 forum to the maintenance of such action or proceeding in such court.

17. Counterparts. This Consent Order may be executed in one or more separate counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall together constitute a single document.

18. Effect Upon Future Proceedings. If Respondent applies for any license, permit or qualification under the Commissioner's current or future jurisdiction, or is the subject of any future action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be admitted for the purpose of such application(s) or enforcement proceedings(s).

19. Voluntary Agreement. Respondent enters this Consent Order voluntarily and without coercion and acknowledges that no promises, threats or assurances have been made by the Commissioner or any officer, or agent thereof, about this Consent Order. The parties each represent and acknowledge that they are executing this Agreement completely voluntarily and without any duress or undue influence of any kind from any source.

20. Notice. Any notice required under this Consent Order [or Settlement Agreement] shall be provided to each party at the following addresses:

To Respondent: Taylor Swartz
Chief Legal Officer
Fairway Independent Mortgage Corporation
4750 S. Biltmore Lane
Madison, Wisconsin 53718
taylor.swartz@fairwaymc.com

To the Commissioner: Allard Chu, Senior Counsel
Department of Financial Protection and Innovation,
320 West 4th Street, Suite 750
Los Angeles, California 90013
Allard.Chu@dfpi.ca.gov

21. Signatures. A fax or electronic mail signature shall be deemed the same as an original signature.

22. Public Record. Respondent hereby acknowledges that this Consent Order is a matter of public record.

23. Effective Date. This Consent Order shall become final and effective when signed by

all parties and delivered by the Commissioner’s agent via electronic mail to Respondent through
Chief Legal Officer, Taylor Swartz at taylor.swartz@fairwaymc.com.

24. Authority to Sign. Each signatory hereto covenants that he/she possesses all
necessary capacity and authority to sign and enter into this Consent Order and undertake the
obligations set forth herein.

KC MOHSENI
Commissioner of Financial Protection and
Innovation

Dated: December 31, 2025

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

FAIRWAY INDEPENDENT MORTGAGE CORP.

Dated: December 19, 2025

By _____
TAYLOR SWARTZ
Chief Legal Officer