

BC FINANCIAL SERVICES AUTHORITY

**IN THE MATTER OF THE *MORTGAGE BROKERS ACT*,
RSBC 1996, c 313 as amended**

AND

IN THE MATTER OF

**YU HANG YUNG (aka HOWARD YUNG)
(501615)**

CONSENT ORDER

(Pursuant to sections 8 (1.2) of the *Mortgage Brokers Act*)

[This Order has been redacted before publication.]

WHEREAS YU HANG YUNG, ("H. Yung") was at all material times registered as a submortgage broker under the *Mortgage Brokers Act*, RSBC 1996, c 313 ("MBA");

AND WHEREAS the Registrar of Mortgage Brokers (the "Registrar") issued a Notice of Hearing to H. Yung, on August 14, 2023 and a First Amended Notice of Hearing issued to H. Yung on September 26, 2023;

AND WHEREAS the following agreement has been reached between H. Yung and the staff of the Registrar ("Staff");

AND WHEREAS the Registrar agrees to the following terms of a consent order:

A. FINDINGS

The Registrar makes the following findings against H. Yung, and H. Yung accepts the following findings made against him:

1. H. Yung conducted mortgage business in British Columbia in a manner prejudicial to the public interest, contrary to section 8(1) of the MBA, with respect to mortgage applications for 6 properties, by providing misleading or false information to lenders when he knew or reasonably ought to have known that the information was misleading or false, by:
 - i. stating that the properties would be owner occupied when in fact they would not all be owner occupied;
 - ii. providing conflicting information regarding the use of the properties;
 - iii. failing to disclose that the borrowers were seeking concurrent mortgage financing; and,
 - iv. directing the borrowers to withhold important information from the lenders.

B. ORDERS AND PENALTY

Pursuant to section 8 (1.2) of the MBA, H. Yung hereby consents to, and the Registrar hereby makes the following orders:

1. Pursuant to section 8(1.2) of the MBA, H. Yung shall pay an administrative penalty of \$40,000; and
2. All amounts are immediately due and payable, and all payments must be made by cheque, bank draft, or money order, payable to the BC Financial Services Authority. This order may be filed with the court pursuant to the MBA, and steps to enforce this order may be taken if payment is not made in full within thirty (30) calendar days from the date of this order.

C. AGREED FACTS

As a basis for this Consent Order, H. Yung acknowledges the following facts as correct and makes the following admissions:

Background

1. H. Yung was first registered as a submortgage broker on August 24, 2015 and was most recently registered with [Brokerage 1] Mortgage until August 23, 2021. H. Yung is not currently registered as a submortgage broker.
2. H. Yung submitted mortgage applications to various lenders and failed to disclose to lenders that the borrowers were seeking concurrent financing to purchase multiple properties. These applications also falsely stated that the subject property would be owner-occupied for each application.
3. H. Yung does not have any prior disciplinary issues.

Facts

4. In February 2021, H. Yung was approached by borrowing clients [Borrower 1] and [Borrower 2] (collectively, the "Clients"). The Clients inquired about the feasibility of buying multiple properties at the same time and submitting mortgage applications to different lenders without disclosing the mortgage applications for the other properties.
5. H. Yung told the Clients "theoretically, it is workable".
6. The Clients entered contracts to purchase 5 properties.
7. Between April 13, 2021 and June 10, 2021, H. Yung submitted mortgage applications on behalf of the Clients for 6 properties (5 new purchases and 1 refinance) (the "Mortgage Applications").
8. The Mortgage Applications contained the following misleading or false information:
 - a. Each of the Mortgage Applications failed to disclose that [the] borrowers had obtained or were seeking financing to purchase other properties;
 - b. Each of the Mortgage Applications stated that the subject property would be owner-occupied; and,
 - c. The mortgage application for the refinance indicated that the refinanced property would be owner-occupied; however, the mortgage applications for the 5 new purchases indicated that the refinanced property would be a rental property.
9. H. Yung knew that the Mortgage Applications were false or misleading when he submitted them.
10. Initially, the Clients had mortgage approvals for at least 5 of the 6 properties.

11. On or about June 24, 2021, two of the lenders withdrew funding approval. H. Yung says that he then recognized the gravity of the matter and withdrew the remaining applications.

12. After June 24, 2021, H. Yung:

- a. sought legal and other professional advice,
- b. says that he reached a settlement with the Clients and compensated them for financial losses they suffered from withdrawing the Mortgage Applications,
- c. emailed the Director of Mortgage Brokers to self-report that he had submitted incomplete and/or misleading information to multiple lenders on behalf of a client,
- d. acknowledged his conduct and was remorseful and regretful,
- e. reviewed the Mortgage Brokers Code of Ethics on CMBA-BC website,
- f. completed the Mortgage Application Fraud by Mortgage Brokers course,
- g. completed the Mortgage Broker Regulatory Update 2020 and 2021, and,
- h. sought treatment from a registered clinical counsellor.

Other Factors

13. Due to H. Yung's self-reporting of his conduct and cooperation with the investigation, the BCFSA has elected not to pursue the investigation costs recoverable under section 6(9) of the MBA.

D. WAIVER

H. Yung waives his right to a hearing under ss 4 and 8 of the MBA and waives his right to appeal under s 9 of the MBA.

Approved as to form and content by:

"Original signed by Yu Hang Yung"

_____ this 6th day of March, 2024.

Yu Hang Yung

"Original signed by Meredith MacGregor"

_____ this 16th day of April, 2024.

Meredith MacGregor

Legal Counsel for the Staff of the
Registrar of Mortgage Brokers

Issued this 16th day of April, 2024 at City of Victoria, British Columbia.

"Original signed by Jonathan Vandall"

Jonathan Vandall

Acting Registrar of Mortgage Brokers
Province of British Columbia