

2023

**California Department of
Financial Protection and Innovation**

**Annual Report of Activity under the
California Residential Mortgage Lending Act**

Report Required by Financial Code Section 50307

PROTECTING CONSUMERS
FOSTERING TRUST & INNOVATION



DEPARTMENT OF FINANCIAL
PROTECTION & INNOVATION



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Mortgage Lending

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EXECUTIVE SUMMARY

The Department of Financial Protection and Innovation's *Annual Report on Activity under the California Residential Mortgage Lending Act (CRMLA)* provides detailed information on residential mortgage lending loans, rates, consumer complaints, foreclosures, and other data elements for calendar year 2023.

Due to the continued financial market conditions during the reporting period, which included periods of high inflation combined with volatility, a slowdown in consumer spending, and rising interest rates, there was another sharp decline in Californians refinancing existing mortgages and making new home purchases in 2023.

Key Findings

- **Loans Originated** – The number and principal amount of loans originated by licensees in 2023 decreased significantly from 2022. The number of loans declined to 181,352 from 342,188, a decrease of 47.0 percent. The aggregate principal amount of loans originated in 2023 totaled \$84.6 billion, down from \$165.4 billion, a decrease of 48.9 percent from 2022.
- **Loans Brokered** – The number of loans brokered in 2023 were 8,521, down from 12,064 loans brokered in 2022, a decrease of 29.4 percent. The aggregate principal amount of brokered loans in 2023 totaled \$4.0 billion, down from \$7.1 billion, a decrease of 43.7 percent from 2022.
- **Loans Serviced** – The aggregate average amount of loans serviced by licensees each month increased 8.1 percent in 2023, to \$1.7 trillion from \$1.6 trillion in 2022.
- **Consumer Complaints** – In 2023, licensees reported 7,909 consumer complaints concerning non-traditional mortgage loans, down from 15,158, a decrease of a 47.8 percent decrease from 2022.
- **Foreclosures** – Licensees reported completing 4,101 foreclosures in 2023. That was down 8.6 percent from the 2022 total of 4,487.
- **Licensees** – The number of licensed lenders and servicers decreased by 8.0 percent from 439 in 2022 to 404 in 2023.
- **Branches** – The total number of branches decreased by 12.9 percent from 7,195 in 2022, to 6,269 in 2023.

The law requires licensees who offer non-traditional or adjustable-rate loan products to describe best practices, internal controls, compliance procedures, consumer complaint process, and employee and agent education. The following best practices were shared by licensees that reported zero complaints or foreclosures or complaints and foreclosures representing fewer than 1 percent of their total loans originated and serviced:

- Annual review of policies and procedures;
- Continued employee regulatory training (quarterly or annually);
- Quality control review of loan samples;
- Borrower education through clear product descriptions; and
- Trend reporting to address complaints and identify opportunities for improvement.

BACKGROUND

This report compiles data submitted to the Department of Financial Protection and Innovation (DFPI) by residential mortgage lenders and mortgage loan servicers licensed under the California Residential Mortgage Lending Act (CRMLA). The licensees submitted the data pursuant to Financial Code section 50307(a):

Each residential mortgage lender or servicer licensee shall file a report with the commissioner annually, on or before the first day of March, giving the relevant information that the commissioner reasonably requires to make the calculation required by subdivision (a) of Section 50401. The report shall be made under oath and in the form prescribed by the commissioner.

The information contained in this report was provided by licensees for the calendar year ended December 31, 2023.

As of December 31, 2023, the DFPI licensed 404 mortgage lenders and servicers with 5,521 branches. Of the 404 licensees, 400 filed their required annual reports. The DFPI notified the non-filers of its intent to revoke their licenses.

Data obtained from a small number of licensees who filed annual reports after the aggregate report was compiled is not included. This omission does not materially affect the integrity of the data reported in this composite report.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided, and percentages may not precisely reflect the absolute figures.

This report and prior year reports can be found on the DFPI's website at www.dfpi.ca.gov.

I. Lending and Servicing Data

A. Loans Originated and Brokered

Licensees are required to report the number and principal amount of loans originated, and the number and principal amount of loans brokered during the calendar year. The table below provides data for 2023 and prior years.

Table 1: Loans Originated and Brokered

Calendar Year	# of Loans Originated	\$ Amount of Loans Originated	# of Loans Brokered	\$ Amount of Loans Brokered
2023	181,352	\$84,608,239,900	8,521	\$3,985,211,364
2022*	342,188	\$165,457,587,661	12,065	\$7,125,758,084
2021*	1,180,788	\$511,568,627,987	17,436	\$10,154,030,480
2020*	1,150,730	\$462,768,676,466	17,743	\$7,704,000,676
2019*	573,580	\$225,535,110,560	13,147	\$6,895,706,938
2018*	381,892	\$137,939,200,878	10,368	\$6,098,778,027
2017*	447,438	\$155,889,438,558	10,370	\$5,578,824,497
2016*	603,726	\$208,050,408,622	12,147	\$5,924,984,039
2015	537,757	\$179,260,310,887	11,986	\$4,899,646,676
2014	365,045	\$114,451,778,034	10,434	\$5,623,343,832

**Variances from data published in the annual report due to late filings by licensees.*

B. Servicing Data

Each licensee is required to report the number and unpaid principal balance of all loans serviced as of the last day of each month in the calendar year. The DFPI then computes each licensee's average monthly servicing total by calculating the 12-month sum, then dividing that number by 12. The aggregate average monthly servicing total is the total of all licensees' monthly averages. The table below provides the aggregate monthly average of the number and amount of loans serviced for 2023 and prior years.

Table 2: Aggregate Monthly Average of Number and Amount of Loans Serviced

Calendar Year	Aggregate Average Number of Loans Serviced*	Aggregate Average Amount of Loans Serviced
2023	5,295,150	\$1,732,196,747,428
2022	4,680,969	\$1,601,750,238,589
2021	4,661,729	\$1,517,647,645,273
2020	4,206,042	\$1,250,773,806,377
2019	3,909,639	\$1,117,882,925,128
2018	3,761,451	\$1,149,026,525,950
2017	3,668,952	\$995,002,890,489
2016	3,177,330	\$858,669,965,940

**Data not Collected Prior to 2016.*

C. Non-Traditional Mortgage Data

Licensees report their lending and brokering activities with respect to adjustable rate mortgages and other non-traditional mortgage loan products.

Licensees submit this data as identified in the Guidance on Nontraditional Mortgage Product Risks, published on November 14, 2006, by the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR), and the Statement on Subprime Mortgage Lending, published on July 17, 2007, by CSBS, AARMR and the National Association of Consumer Credit Administrators.

The DFPI began collecting data on non-traditional mortgages in 2007.

Licensees are asked if they originated or arranged adjustable rate or other non-traditional mortgage products. The table below shows the number of licensees responding with a "Yes."

Table 3: Originated or Arranged Non-Traditional Mortgage and Adjustable Rate Products

Calendar Year	Originated Other Non-Traditional Mortgage Products	Arranged Other Non-Traditional Mortgage Products	Originated Adjustable Rate Mortgage Products	Arranged Adjustable Rate Mortgage Products
2023	112	69	107	63
2022	119	65	129	70
2021	109	57	110	61
2020	98	61	126	59
2019	106	63	139	69
2018	104	58	142	67
2017	86	60	154	71
2016	75	53	146	68
2015	68	48	143	64
2014	60	43	134	99

Licenses also reported the number and amount of adjustable rate and other non-traditional mortgages they originated in 2023. Data was submitted both for loans retained by the licensee and those sold to investors.

Some loans may have multiple non-traditional characteristics. These loans are reported in each category and are included more than once. The table below shows this data for 2023.

Table 4: Non-Traditional Loan Data

Type of Non-Traditional Loans	# Retained	\$ Amount Retained	# Sold to Investors	\$ Amount Sold to Investors
Interest-Only Mortgage Loan	1,698	\$558,359,928	4,508	\$2,215,020,727
Payment Option Arm	0	\$0	12	\$3,202,061
Reduced Documentation	1,586	\$970,425,797	3,204	\$2,117,998,331
Simultaneous Second-Lien Loan	990	\$105,036,148	8,197	\$1,211,515,316
Home Equity Line of Credit	2,587	\$430,841,553	7,379	\$1,473,746,117
Covered Loans	125	\$65,810,496	2,116	\$1,013,587,291
Adjustable Rate Mortgage Loans	24,064	\$9,248,250,966	12,058	\$6,217,761,624

D. Non-Traditional Mortgage Complaints

Licensees report data on consumer complaints received about non-traditional mortgage loans, including: the number of complaints; the number of resolved and unresolved complaints; and the number of workout arrangements used to resolve complaints. Workout arrangement means a modified or converted loan product with predictable payment requirements to help financially-stressed borrowers.

The table below shows complaint and workout data for 2023 and prior years.

Table 5: Non-Traditional Complaint Data*

Calendar Year	Consumer Complaints Received	Resolved Complaints	Unresolved Complaints	Workout Arrangements Used to Resolve Complaints
2023	7,909	7,803	106	215
2022	15,158	15,068	90	479
2021	17,308	17,260	108	996
2020	13,421	13,330	86	1,128
2019	16,421	16,309	109	732
2018	11,928	11,913	4	572
2017	12,959	12,787	9	372
2016	14,580	14,550	54	456
2015	8,361	8,289	83	109
2014	12,775	12,767	41	611

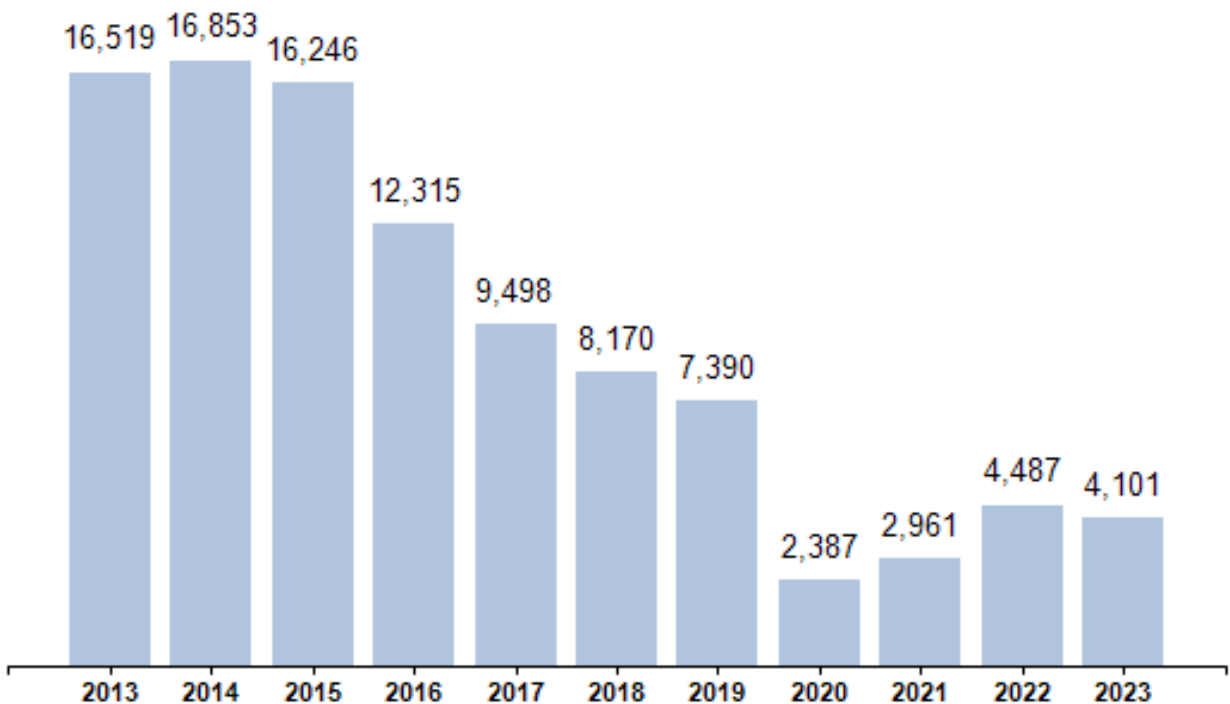
**Variances from data published in the annual report due to late filings and changes by licensees.*

II. FORECLOSURE DATA

The California Foreclosure Reduction Act (Act), commonly referred to as the Homeowner Bill of Rights, took effect January 1, 2013. The statute significantly changed the non-judicial foreclosure process in California. The Foreclosure Reduction Act applies to all mortgage servicers that conduct foreclosures in the state. Many provisions apply only to mortgage servicers that have foreclosed on more than 175 homes during the preceding year.

To assess compliance with the Foreclosure Reduction Act, the DFPI began collecting foreclosure data from its licensees starting with calendar year 2013. The chart below shows the number of completed foreclosures reported by licensees. Table 6 is a list of licensees who reported completing more than 175 foreclosures in 2016 and 2017.

Number of Foreclosures



Variations from data published in the annual report due to late filings and changes by licensees.

A. Licensees Reporting More Than 175 Foreclosures

Table 6: Licensees Reporting More Than 175 Foreclosures

Company	2016	2017	2018	2019	2020	2021	2022	2023
Caliber Home Loans, Inc.	637	387	247					
Carrington Mortgage Services, LLC	208	189	212	176				
CitiMortgage, Inc.	1,100	928	1,087	610				
Community Loan Servicing, LLC	402	398	236	197				
Celink			260	378	191		344	178
Ditech Financial LLC	456	387	237					
Dovenmuehle Mortgage, Inc.								552
Fay Servicing, LLC	219	230	210	210				
Freedom Mortgage Corporation				178				
Lakeview Loan Servicing, LLC	575		177	246				178
Loancare, LLC				262				
Mortgage Assets Management, LLC	702	535					647	346
Nationstar Mortgage LLC	1,666	1,410	1,213	960	226	269		258
New Residential Mortgage LLC				192				
Newrez LLC	442	402	419	557	182	246	308	297
Ocwen Loan Servicing, LLC	1,476	935	684	225				
Pennymac Loan Services, LLC	186							
PHH Mortgage Corporation				517		261	186	184
Reverse Mortgage Funding LLC	233					664	818	
Rushmore Loan Management Services LLC	184	239	322	199				
Select Portfolio Servicing, Inc.	1,022	694	665	637	205	308	234	271
Seterus, Inc.	711	376						
Specialized Loan Servicing LLC	551	420	290	201				

Variances from data published in the annual report due to late filings and changes by licensees.



DEPARTMENT OF FINANCIAL
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