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

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| In the Matter of: |) | CRMLA LICENSE NO.: 413-1366 |
| THE COMMISSIONER OF FINANCIAL |) | CONSENT ORDER |
| PROTECTION AND INNOVATION, |) | |
| Complainant, |) | |
| v. |) | |
| GOPRIME MORTGAGE, INC., |) | |
| Respondent. |) | |

This Consent Order is entered into between the Acting Commissioner of Financial Protection and Innovation (Commissioner) of the Department of Financial Protection and Innovation (Department) and Respondent GoPrime Mortgage, Inc. (GoPrime) and is made with respect to the following facts:

I.

RECITALS

A. The Commissioner has jurisdiction over the licensing and regulation of entities engaged in the business of a residential mortgage lender and servicer under the California Residential Mortgage Lending Act, commencing at Cal. Fin. Code §§ 50000 – 50706 (CRMLA).

1 B. GoPrime is a residential mortgage lender and servicer licensed by the Commissioner
2 pursuant to the CRMLA with license number 413-1366.

3 C. GoPrime's principal place of business is located at 320 N. Salem Street, Suite 300,
4 Apex, North Carolina 27502. GoPrime employs mortgage loan originators.

5 D. On or around August 2, 2023, the Commissioner commenced a regulatory
6 examination of the books and records of GoPrime pursuant to California Financial Code section
7 50302 of the CRMLA covering the period from November 1, 2019 through December 31, 2022
8 (Regulatory Exam).

9 E. The Regulatory Exam disclosed that in five out of 20 loan files reviewed (25%),
10 GoPrime charged borrowers per diem interest in excess of one day prior to the date that the loan
11 proceeds were disbursed from escrow, in violation of California Financial Code section 50204(o)
12 and California Civil Code section 2948.5.

13 F. On or around April 24, 2024, the Department directed GoPrime to conduct a self-
14 audit of all loans originated in California since May 26, 2020 to April 24, 2024 to determine the
15 number and amount of per diem interest overcharges, including but not limited to: the borrower loan
16 number, name, loan amount, interest rate, date funds were disbursed by the settlement agent, interest
17 start date, interest end date, amount of interest collected, correct amount of interest, interest
18 overcharged, 10% interest, amount of refund check, date refunded, and first payment due date (self-
19 audit report).

20 G. On or around July 24, 2024, GoPrime submitted a self-audit report that disclosed 118
21 out of 531 loan files (22.2%) in which GoPrime overcharged borrowers per diem interest, in
22 violation of California Financial Code section 50204(o) and California Civil Code section 2948.5.
23 Pursuant to California Financial Code section 50504(b), between on or around May 16, 2024 and
24 May 31, 2024, GoPrime issued refunds to 118 borrowers identified in the self-audit report in the
25 amount of the overcharge plus interest at the rate of 10% per annum from the date of the overcharge.

26 H. A review of 50 loan files from the self-audit disclosed that for at least seven loan files
27 GoPrime failed to keep and maintain for 36 months from the date of final entry the business records
28 and other information required by law or rules of the Commissioner, specifically California Code of

1 Regulations, title 10, section 1950.314.4(d)(5)(D), which requires GoPrime to maintain the closing
2 statement issued by an independent escrow holder on a residential mortgage loan in which the
3 proceeds of that loan were disbursed to that escrow holder, in violation of California Financial Code
4 section 50124(a)(2). As such, the disbursement date to calculate per diem interest could not be
5 determined for those seven loans.

6 I. The Regulatory Exam disclosed that in five out of 20 loan files GoPrime obtained
7 signed California Per Diem Interest Disclosures that did not include the additional per diem interest
8 charged to facilitate disbursement, in violation of California Financial Code section 50204(e), which
9 prohibits obtaining signed blank documents.

10 J. In at least four loan files GoPrime provided Fair Lending Notices that directed
11 borrowers or applicants to multiple federal and California agencies rather than to the Department of
12 Financial Protection and Innovation, in violation of California Health and Safety Code section 35830
13 and Code of Regulations, title 21, section 7114.

14 K. A review of GoPrime's trust accounts as of December 31, 2022 disclosed that
15 GoPrime failed to reconcile the trust account ledger cards with the liability controlling account at
16 least once each week and with the trust account bank statement at least once each month, in violation
17 of California Code of Regulations, title 10, section 1950.314.1.

18 L. In at least 20 loan files GoPrime provided the Notice of Servicing Transfer to the
19 borrower less than 15 days before the effective date of the transfer, and in at least one loan file the
20 effective date of transfer of servicing was not disclosed, in violation of Code of Federal Regulations,
21 title 12, section 1024.33(b) and California Financial Code section 50505(a) and (d).

22 M. In at least one loan file GoPrime did not provide the Home Loan Toolkit to the
23 borrower, in violation of Code of Federal Regulations, title 12, section 1024.6(a) and California
24 Financial Code section 50505(a) and (d).

25 N. In at least two loan files the loan brokerage agreements were missing, in violation of
26 California Financial Code section 50701(a). In at least one loan file the loan brokerage agreement
27 was not fully executed, in violation of California Financial Code section 50701(b).

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O. The Regulatory Exam disclosed that in 2022 GoPrime did not provide all of its employees, agents, and brokers the anti-money laundering training in 2022, in violation of Code of Federal Regulations, title 31, section 1029.210(b).

P. On or around April 3, 2025, GoPrime provided documentation of compliance with Code of Federal Regulations, title 31, section 1029.210(b) regarding anti-money laundering training for its employees, agents, and brokers for 2025.

Q. The Commissioner finds that entering into this Consent Order is in the public interest and consistent with the purposes fairly intended by the policies and provisions of the 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 set forth in Paragraphs E through O above in a manner that avoids the expense of a hearing and other possible court proceedings, protects consumers, is in the public interest, and is consistent with the purposes, policies, and provisions of the CRMLA.

2. Order to Discontinue Violations. GoPrime hereby agrees that in accordance with California Financial Code sections 50321 and 50323, it will immediately discontinue violating the following:

- a. California Financial Code section 50204(e) and (o),
- b. California Financial Code section 50124(a)(2);
- c. California Financial Code section 50505(a) and (d);
- d. California Financial Code section 50701(a) and (b);
- e. California Civil Code section 2948.5;
- f. California Health and Safety Code section 35830;
- g. California Code of Regulations, title 10, section 1950.314.1;
- h. California Code of Regulations, title 10, section 1950.314.4;
- i. California Code of Regulations, title 21, section 7114;

1 j. Code of Federal Regulations, title 12, section 1024.6(a);

2 k. Code of Federal Regulations, title 12, section 1024.33(b); and

3 3. Payment of Refunds. GoPrime affirms that to date it has made refunds to 118
4 borrowers for per diem interest overcharges in violation of California Financial Code section
5 50204(o) and California Civil Code section 2948.5, totaling \$12,183.17, which includes the amount
6 of overcharge plus interest at the rate of 10% per annum from the date of the overcharge pursuant to
7 California Financial Code section 50504(b).

8 4. Penalty. GoPrime shall pay a penalty in the amount of \$100,000.00 for the violations
9 set forth in Paragraph E through O above as stated in (a) – (I) below. The penalty shall be made
10 payable in the form of a cashier's check or Automated Clearing House deposit to the Department of
11 Financial Protection and Innovation and transmitted to the attention of Accounting – Litigation, at
12 the Department of Financial Protection and Innovation, 651 Bannon Street, Suite 300, Sacramento,
13 California 95811. Notice of each payment must be concurrently sent to Sophia C. Kim via e-mail at:
14 Sophia.Kim@dfpi.ca.gov.

15 a. \$8,333.33 due by no later than June 2, 2025;

16 b. \$8,333.33 due by no later than July 1, 2025;

17 c. \$8,333.33 due by no later than August 1, 2025;

18 d. \$8,333.33 due by no later than September 1, 2025;

19 e. \$8,333.33 due by no later than October 1, 2025;

20 f. \$8,333.33 due by no later than November 3, 2025;

21 g. \$8,333.33 due by no later than December1, 2025;

22 h. \$8,333.33 due by no later than January 2, 2026;

23 i. \$8,333.33 due by no later than February 2, 2026;

24 j. \$8,333.33 due by no later than March 2, 2026;

25 k. \$8,333.33 due by no later than April 1, 2026; and

26 l. \$8,333.33 due by no later than May 2, 2026.

27 5. Declaration of Policies and Procedures. GoPrime has submitted to the Commissioner
28 a declaration under the penalty of perjury (Declaration) from an officer with personal knowledge of

1 GoPrime's policies and procedures that sets forth all policies and procedures that have been
2 implemented as of the date of this Consent Order to ensure compliance with the following:

- 3 a. California Financial Code section 50204(e) and (o),
- 4 b. California Financial Code section 50124(a)(2);
- 5 c. California Financial Code section 50505(a) and (d);
- 6 d. California Financial Code section 50701(a) and (b);
- 7 e. California Civil Code section 2948.5;
- 8 f. California Health and Safety Code section 35830;
- 9 g. California Code of Regulations, title 10, section 1950.314.1;
- 10 h. California Code of Regulations, title 10, section 1950.314.4;
- 11 i. California Code of Regulations, title 21, section 7114;
- 12 j. Code of Federal Regulations, title 12, section 1024.6(a);
- 13 k. Code of Federal Regulations, title 12, section 1024.33(b); and
- 14 l. Code of Federal Regulations, title 31, section 1029.210(b)

15 6. Waiver of Hearing Rights. GoPrime acknowledges that the Commissioner is ready,
16 willing, and able to proceed with the filing of an administrative enforcement action on the charges
17 contained in this Consent Order. GoPrime hereby waives the right to any hearings, and to any
18 reconsiderations, appeal, or other right to review which may be afforded pursuant to the CRMLA,
19 the California Administrative Procedure Act, the California Code of Civil Procedure, or any other
20 provision of law. GoPrime further expressly waives any requirement for the filing of an Accusation
21 pursuant to California Government Code section 11415.60(b). By waiving such rights, GoPrime
22 effectively consents to this Consent Order and Order to Discontinue Violations becoming final.

23 7. Failure to Comply with Consent Order. GoPrime agrees that if it fails to substantially
24 comply with the terms of this Consent Order, the Commissioner may, in addition to all other
25 available remedies he may invoke under the CRMLA, deny any application and/or summarily
26 suspend or revoke any license granted by the Commissioner to GoPrime until GoPrime is in
27 compliance. GoPrime waives any notice and hearing rights to contest such denial or summary
28 suspension or revocation which may be afforded under the CRMLA, the California Administrative

1 Procedure Act, the California Code of Civil Procedure, or any other provision of law in connection
2 therewith.

3 8. Information Willfully Withheld or Misrepresented. This Consent Order may be
4 revoked and the Commissioner may pursue any and all remedies available under law against
5 GoPrime if the Commissioner discovers that GoPrime knowingly or willfully withheld or
6 misrepresented information used for and relied upon in this Consent Order.

7 9. Future Actions by Commissioner. If GoPrime fails to substantially comply with any
8 terms of the Consent Order, the Commissioner may institute proceedings for any and all violations
9 otherwise resolved under this Consent Order. The Commissioner reserves the right to bring any
10 future actions against GoPrime, or any of their partners, owners, officers, shareholders, directors,
11 employees or successors for any and all unknown violations of the CRMLA and California Financial
12 Code.

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

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

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

22 13. Reliance. Each of the parties represents, warrants, and agrees that in executing this
23 Consent Order it has relied solely on the statements set forth herein and the advice of its own
24 counsel. Each of the parties further represents, warrants, and agrees that in executing this Consent
25 Order it has placed no reliance on any statement, representation, or promise of any other party, or
26 any other person or entity not expressly set forth herein, or upon the failure of any party or any other
27 person or entity to make any statement, representation or disclosure of anything whatsoever. The
28 parties have included this clause: (1) to preclude any claim that any party was in any way

1 fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of parol
2 evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

3 14. No Presumption Against Drafting Party. Each party acknowledges that it has had the
4 opportunity to draft, review, and edit the language of this Consent Order. Accordingly, the parties
5 intend that no presumption for or against the drafting party will apply in construing any part of this
6 Consent Order. The parties waive the benefit of California Civil Code section 1654 as amended or
7 corresponding provisions of any successor statute, which provide that in cases of uncertainty,
8 language of a contract should be interpreted most strongly against the party that caused the
9 uncertainty to exist.

10 15. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
11 has received independent advice from its attorney(s) and/or representatives with respect to the
12 advisability of executing this Consent Order.

13 16. 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 condition
18 or provision or of the same condition or provision at another time.

19 17. 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 covenants
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 hereby.

25 18. Governing Law. This Consent Order shall be construed and enforced in accordance
26 with and governed by California law. Each of the parties hereto consents to the jurisdiction of such
27 court in California, administrative or otherwise, best suited to handle any action or proceeding under
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1 this Consent Order, and hereby irrevocably waives, to the fullest extent permitted by law, the
2 defense of an inconvenient forum to the maintenance of such action or proceeding in such court.

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

6 20. Effect Upon Future Proceedings. If GoPrime applies for any license, permit or
7 qualification under the Commissioner's current or future jurisdiction, or are the subject of any future
8 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be
9 admitted solely for the purpose of such application(s) or enforcement proceeding(s) by the
10 Commissioner.

11 21. Voluntary Agreement. GoPrime enters into this Consent Order voluntarily and
12 without coercion and acknowledge that no promises, threats or assurances have been made by the
13 Commissioner or any officer, or agent thereof, about this Consent Order. The parties each represent
14 and acknowledge that he, she or it is executing this Consent Order completely voluntarily and
15 without any duress or undue influence of any kind from any source.

16 22. Notice. Any notice required under this Consent Order shall be provided to each party
17 at the following addresses:

18 To GoPrime: GoPrime Mortgage, Inc.
19 Attn: Alexis Ford, Chief Operating Officer
20 320 N. Salem St., Suite 300
21 Apex, NC 27502
AFord@goprime.com

22 To the Commissioner: Sophia C. Kim, Senior Counsel
23 Department of Financial Protection and Innovation
24 320 West 4th Street, Suite 750
Los Angeles, CA 90013
25 Sophia.Kim@dfpi.ca.gov

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

28 24. Public Record. GoPrime hereby acknowledges that this Consent Order is and will be
a matter of public record.

25. Effective Date. This Consent Order shall become final and effective when signed by all parties and delivered by the Commissioner's counsel via e-mail to GoPrime at AFord@goprime.com.

26. 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.

Dated: May 13, 2025
Sacramento, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation



By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: May 13, 2025

GOPRIME MORTGAGE, INC.

By _____
Alexis Ford, Chief Operating Officer