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8  
9 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
10 OF THE STATE OF CALIFORNIA

11 In the Matter of: ) CRMLA LICENSE NO. 413-0593  
12 )  
13 THE COMMISSIONER OF BUSINESS ) ORDER REVOKING RESIDENTIAL  
OVERSIGHT, ) MORTGAGE LENDER LICENSE  
14 )  
15 Complainant, )  
16 v. )  
17 )  
18 ALLIED HOME MORTGAGE )  
CORPORATION, aka ALLQUEST HOME )  
19 MORTGAGE CORPORATION )  
20 Respondent. )  
21 )

22 Jan Lynn Owen, the Commissioner of Business Oversight (Commissioner), finds as follows:

23 1. Respondent Allied Home Mortgage Corporation, aka Allquest Home Mortgage  
24 Corporation (Allied), is a residential mortgage lender licensed by the Commissioner under the  
25 California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et seq.) and the  
26 regulations promulgated under the CRMLA pursuant to title 10 of the California Code of Regulations  
27 (CCR).

28 2. According to the Commissioner’s records, Allied has its principal place of business

1 located at 6110 Pinemont Drive, Suite 220, Houston, Texas. At all relevant times herein, Allied  
2 employed mortgage loan originators and operated branch locations throughout California.

3 3. Allied attempted to change its name to "AllQuest Home Mortgage Corporation" by  
4 updating its name in the Nationwide Mortgage Licensing System & Registry (NMLS) on February  
5 10, 2012, but the Commissioner never received the licensee's request to change its name and  
6 therefore never approved the name change. Under the CRMLA, a licensee may not engage in the  
7 business as a residential mortgage lender under a name other than the name that appears on the  
8 license, or a legally assumed name disclosed either in the application or in an amendment to the  
9 application, which is reflected on the company's license. (Fin. Code, § 50120, subd. (b); see also Fin.  
10 Code, §§ 50130 and 50207, subd. (a).)

11 4. Under Financial Code section 50200 of the CRMLA and CCR section 1950.200, all  
12 licensees are required to file annual audited financial statements within 105 days of the company's  
13 fiscal year-end. Allied's fiscal year-end is December 31. The company's December 31, 2014 fiscal  
14 year-end annual audited financial statements were due by April 15, 2015.

15 5. The Commissioner's examiner sent Allied a letter on or about December 16, 2014,  
16 reminding the company that its annual audited financial statements would be due by April 15, 2015.

17 6. On or about January 27, 2015, Allied provided the Commissioner, through the NMLS,  
18 *unaudited* December 31, 2014 fiscal year-end financial statements. But the CRMLA requires the  
19 licensee's financial statements be audited by an independent certified public account and, therefore,  
20 the financial statements that Allied provided failed to satisfy the requirements of Financial Code  
21 section 50200 and CCR section 1950.200.

22 7. In addition to failing to file audited financial statements for its fiscal year ended  
23 December 31, 2014, Allied has failed to file its annual audited financial statements for the fiscal years  
24 ended December 31, 2015 and December 31, 2016, in violation of Financial Code section 50200 and  
25 CCR section 1950.200.

26 8. Financial Code sections 50307 and 50401 require licensees file an annual report on or  
27 before March 1 of each year, providing relevant information that the Commissioner reasonably  
28 requires to make a calculation of the licensee's annual assessment. The annual report includes: Report

1 of Principal Amount of Loans Originated and Aggregate of Amount of Loans Serviced for the 12-  
2 month Period Ended December 31 (the Report); the Report on Non-Traditional Adjustable Rate and  
3 Mortgage Loan Products (Non-Traditional Report); and the Non-Traditional, Adjustable Rate and  
4 Mortgage Loan Survey (Survey). Allied received (at its designated e-mail addresses) the  
5 Commissioner's reminders concerning the company's requirement to file the reports by the March 1  
6 deadline. Despite having been sent reminder e-mails at its designated e-mail addresses, Allied failed  
7 to file its 2014 Report; 2014 Non-Traditional Report; 2014 Survey; 2015 Report; 2015 Non-  
8 Traditional Report; 2015 Survey; 2016 Report; 2016 Non-Traditional Report; and 2016 Survey.

9       9. Under Financial Code section 50326, the Commissioner assessed penalties against  
10 Allied, on or about June 12, 2015, for the licensee's failure to file its 2014 Report, 2014 Non-  
11 Traditional Report, and 2014 Survey. The penalties imposed against the company remain unpaid.

12       10. Financial Code section 50307.2 requires all licensees to file Mortgage Call Reports  
13 (MCRs). The MCRs must be filed quarterly through NMLS and must be completed within 45 days of  
14 the quarter's close. Allied has not filed its MCRs since the fourth quarter of 2014.

15       11. Under Financial Code section 50123, a licensee that ceases to engage in the business  
16 of a CRMLA lender, and no longer desires to be licensed, shall inform the Commissioner in writing  
17 and file a plan for withdrawal from the business, which includes the submission of a closing audit,  
18 review, or other agreed upon procedures performed by an independent certified public accountant. A  
19 license is not considered surrendered until its tender is accepted in writing by the Commissioner after  
20 a review, a finding has been made on the licensee's plan of withdrawal, and a determination has been  
21 made that there is no violation of the CRMLA.

22       12. On or about January 8, 2015, Allied submitted a request to surrender its license  
23 through the NMLS. The Department sent the licensee a surrender checklist, setting forth the items it  
24 needed to complete prior to the Commissioner's acceptance of Allied's surrender of its license. But  
25 the company failed to submit the required items set forth in the Department's checklist. A review of  
26 the NMLS indicates Allied's lending licenses in other states have either lapsed or were surrendered.

27       13. The Commissioner finds that, by reason of the foregoing, Allied violated Financial  
28 Code sections 50120, 50123, 50130, 50200, 50207, 50307, 50307.2, 50326, 50401, and CCR section

1 1950.200, and based thereon, grounds exist to revoke Allied's CRMLA lender's license under  
2 Financial Code section 50327.

3 14. On June 6, 2017, the Commissioner issued a Notice of Intention to Issue Order  
4 Revoking Allied's CRMLA license, Accusation, and supporting documents based on the findings set  
5 forth above. The Commissioner personally served the company's registered agent in California and  
6 by certified mail at its address of record in Texas on June 7, 2017. Allied had 25 days to request a  
7 hearing and failed to do so within the time required.

8 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the residential  
9 mortgage lender license issued by the Commissioner to Allied Home Mortgage Corporation, aka  
10 AllQuest Home Mortgage Corporation, is revoked. This order is effective as of the date hereof.  
11 Under Financial Code section 50311, Allied Home Mortgage Corporation, aka AllQuest Home  
12 Mortgage Corporation, has 60 days within which to complete any loans for which it had prior  
13 commitments.

14 Dated: July 6, 2017  
15 Los Angeles, California

JAN LYNN OWEN  
Commissioner of Business Oversight

17 By \_\_\_\_\_  
18 MARY ANN SMITH  
19 Deputy Commissioner  
20 Enforcement Division  
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