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

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11 In the Matter of the Statement of Issues of) NMLS NO. 944452
12 THE COMMISSIONER OF BUSINESS)
13 OVERSIGHT,) ORDER DENYING APPLICATION FOR
14 Complainant,) MORTGAGE LOAN ORIGINATOR
15 v.) LICENSE
16)
17 NJERI CHEATHAM)
18)
19 Respondent.)
20)

21 The Commissioner of Business Oversight (“Commissioner”) finds that:

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23 1. On October 18, 2013, Njeri Cheatham (“Respondent”) filed an application for a mortgage
24 loan originator license with the Commissioner pursuant to the California Residential Mortgage
25 Lending Act (“CRMLA”) (Fin. Code §§ 50000 et seq.), in particular Financial Code section 50140.
26 The applicant has no sponsor or employer. The application was submitted to the Commissioner by
27 filing Form MU4 through the Nationwide Mortgage Licensing System (“NMLS”).
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2. Under the Criminal Disclosure section of Form MU4 at question F, the Respondent was asked “Have you ever been convicted of or pled guilty or nolo contendere (“no contest”) in a domestic, foreign, or military court to any felony?” The Respondent answered “Yes.” It was further disclosed that Respondent was convicted of felony conspiracy to commit bank fraud pursuant to 18 U.S.C. 371 on February 8, 2005. The Respondent was further sentenced to pay restitution in the amount of \$43,495.78 and five years of probation.

3. Financial Code section 50141 provides in relevant part:

- (a) The commissioner shall deny an application for a mortgage loan originator license unless the commissioner makes at a minimum the following findings:
 - (2) The applicant has not been convicted of, or pled guilty or nolo contendere to, a felony in a domestic, foreign, or military court during the seven-year period preceding the date of the application for licensing and registration, or at any time preceding the date of application, if such felony involved an act of fraud, dishonesty, a breach of trust, or money laundering....

4. Financial Code section 50141 further provides in relevant part:

- (a) The commissioner shall deny an application for a mortgage loan originator license unless the commissioner makes at a minimum the following findings:
 -
 - (3) The applicant has demonstrated such financial responsibility, character, and general fitness as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of this division.

5. The Commissioner finds, by reason of the foregoing, that Respondent has been convicted of the above-mentioned felony of conspiracy to commit bank fraud pursuant to 18 U.S.C. 371, which involves an act of fraud, and dishonesty. This finding requires that the commissioner deny the application pursuant to Financial Code section 50141 subdivision (a) (2). The Commissioner also finds, by reason of the forgoing, that Respondent has failed to demonstrate such character and general fitness as to command the confidence of the community and to warrant a determination that Respondent will operate honestly, fairly, and efficiently as a mortgage loan originator. This finding requires that the commissioner deny the application pursuant to Financial Code section 50141 subdivision (a)(3).

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6. On January 23, 2015, the Commissioner issued a Notice of Intention to Issue Order Denying Mortgage Loan Originator License Application and accompanying documents based on the above findings. The Respondent was served with those documents on January 23, 2015 via return receipt mail at the address filed by Respondent on her application with the California Department of Business Oversight. When that mail was subsequently returned by the post office as being undeliverable at that address, another copy of the above documents was sent on February 13, 2015 via return receipt mail at a more current address for Respondent in Maryland. Respondent subsequently sent a timely Notice of Defense form, requesting a hearing to contest the Commissioner’s intended order. Respondent then withdrew her Notice of Defense and request for hearing in writing on March 23, 2015.

THEREFORE, the Commissioner finds by reason of the forgoing that she is mandated under Financial Code section 50141 to deny Respondent’s mortgage loan originator license application under the California Residential Mortgage Lending Act.

NOW GOOD CAUSE APPEARING THEREFOR, it is hereby ordered that the mortgage loan originator license application of Njeri Cheatham, described in Paragraph 1 above, is denied. This order is effective as of the date hereof.

Dated: March 25, 2015
Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division