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California Corporations Commissioner
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8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

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11 In the Matter of the Accusation of THE
CALIFORNIA CORPORATIONS
COMMISSIONER,

) File No.: 413-0263

12

13 Complainant,

) **ACCUSATION IN SUPPORT OF
REVOCAION OF CALIFORNIA
RESIDENTIAL MORTGAGE LENDING
AND MORTGAGE LOAN SERVICING
LICENSE**

14

v.

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16 LOAN LINK FINANCIAL SERVICES,

17

18 Respondent.

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20 The Complainant, California Corporations Commissioner ("Commissioner"), is informed and
21 believes, and based upon such information and belief, alleges and charges Respondent as follows:

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I.

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24 Respondent Loan Link Financial Services ("Loan Link") is a residential mortgage lender and
mortgage loan servicer licensed by the California Department of Corporations ("Department")
25 pursuant to the California Residential Mortgage Lending Act ("CRMLA") (California Financial Code
26 sections 50000 *et seq.*). Loan Link has its principal place of business located at 26800 Aliso Viejo
27 Parkway, Suite 100, Aliso Viejo, CA 92656.

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II.

1 On or about February 1, 2008, the Commissioner notified all CRMLA licensees in writing
2 that each was required to file its Report on Principal Amount of Loans Originated and Aggregate
3 Amount of Loans Serviced for the 12 Month Period Ended December 31, 2007 (“Activity Report”)
4 and the Report on Non-Traditional Adjustable Rate and Mortgage Loan Products (“Non-Traditional
5 Report”) pursuant to sections 50307 and 50401 of the Financial Code and section 1950.314.8 of Title
6 10 of the California Code of Regulations. Licensees were instructed to return the enclosed preprinted
7 reporting forms no later than March 1, 2008 to enable the Commissioner to prepare assessments in
8 accordance with sections 50307 and 50401.

9 Loan Link failed to file its Activity Report and Non-Traditional Report with the
10 Commissioner by March 1, 2008.

11 On or about May 15, 2008, the Commissioner sent a follow-up letter informing Loan Link
12 that both its Activity Report and Non-Traditional Report should be submitted within 10 days along
13 with a \$1,000.00 penalty pursuant to Financial Code section 50326. Loan Link was further advised
14 that failure to file the required reports and/or remit the penalty could result in license suspension or
15 revocation pursuant to Financial Code section 50327.

16 Loan Link has yet to file either of its reports or remit the \$1,000.00 penalty assessed by the
17 Commissioner on or about May 15, 2008.

18 III.

19 Financial Code section 50205 requires each CRMLA licensee to maintain a surety bond to be
20 used for the recovery of expenses, fines, or fees levied by the Commissioner for losses or damages
21 incurred by borrowers or consumers as a result of a licensee’s noncompliance with the requirements
22 of the CRMLA.

23 Accordingly, each licensee is advised by the Department that if an effective bond is not in
24 place, it may be necessary for the Commissioner to issue an order for the licensee to discontinue
25 mortgage lending and/or brokering activities.

26 The surety bond issued to Loan Link by Hartford Fire Insurance Company expired on
27 September 22, 2008, and no replacement bond was obtained.

28 On September 22, 2008, the Commissioner issued an order under the authority of Financial

1 Code section 50319 requiring Loan Link to discontinue conducting residential mortgage lending
2 and/or servicing activities in an unsafe and injurious manner as to render further operations hazardous
3 to the public or to customers. This order remains in effect.

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5 **IV.**

6 Financial Code section 50326 provides:

7 If any licensee fails to do any of the following, the licensee shall forfeit to the people
8 of the state a sum of up to one hundred dollars (\$100) for every day up to the 10th day:
9 (a) to make any report required by law or by the commissioner within 10 days from
10 the day designated for the making of the report, or within any extension of time
11 granted by the commissioner, or (b) fails to include therein any matter required by law
12 or by the commissioner. Thereafter, any failure shall constitute grounds for the
13 suspension or revocation of the license held by the residential mortgage lender or
14 residential mortgage loan servicer.

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16 **V.**

17 Financial Code section 50327 provides in pertinent part:

18 (a) The commissioner may, after notice and a reasonable opportunity to be
19 heard, suspend or revoke any license if the commissioner finds that: (1) the
20 licensee has violated any provision of this division or any rule or order of the
21 commissioner thereunder; or (2) any fact or condition exists that, if it had
22 existed at the time of the original application for license, reasonably would
23 have warranted the commissioner in refusing to issue the license originally.

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25 **VI.**

26 Financial Code section 50311 provides in pertinent part:

27 Nothing in this law shall preclude a person whose license has been suspended or
28 revoked, summarily or otherwise, from making a residential mortgage loan pursuant to
a commitment issued by that person prior to the suspension or revocation. A
prospective borrower who received a commitment issued by a person whose license
has been suspended or revoked may, prior to the closing of the loan, terminate the
commitment or receive a refund of all money paid to that person.

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30 **VII.**

31 The Commissioner finds that, by reason of the foregoing, Loan Link Financial Services has
32 violated sections 50307 and 50401 of the California Financial Code and section 1950.314.8 of Title
33 10 of the California Code of Regulations, and based thereon grounds exist to revoke the residential

1 mortgage lender and mortgage loan servicer license of Loan Link Financial Services.

2 WHEREFORE, IT IS PRAYED that the residential mortgage lender and mortgage loan
3 servicer license of Loan Link Financial Services be revoked and, pursuant to Financial Code section
4 50311, Loan Link Financial Services be given a transition period of sixty (60) days within which to
5 complete any loans for which it had prior commitments.

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7 DATED: September 23, 2008
8 Sacramento, CA

California Corporations Commissioner

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10 By _____
11 Miranda L. Maison
12 Senior Corporations Counsel
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