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9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA

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12 In the Matter of the Accusation of THE) File No.: 413-0120
CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) ORDER REVOKING RESIDENTIAL
14) MORTGAGE LENDER AND RESIDENTIAL
Complainant,) MORTGAGE LOAN SERVICER LICENSE
15)
16 vs.)
17 NEW CENTURY MORTGAGE)
CORPORATION,)
18)
19 Respondent.)
_____)
20

21 The California Corporations Commissioner (“Commissioner”) finds that:

22 1. Respondent New Century Mortgage Corporation ("New Century") is a residential
23 mortgage lender and residential mortgage loan servicer licensed by the California Corporations
24 Commissioner (“Commissioner”) pursuant to the California Residential Mortgage Lending Act
25 (California Financial Code § 50000 et seq.) (“CRMLA”). New Century had its main office located
26 at 18400 Von Karman, Suite 1000, Irvine, California 92612.

27 2. Pursuant to California Financial Code section 50200, New Century was required to
28 submit its audited financial statement for its fiscal year ended December 31, 2006 (“audit report”) to

1 the Commissioner by April 15, 2007. New Century has yet to file its audit report with the
2 Commissioner despite numerous reminders.

3 3. On December 11, 2006, the Commissioner notified New Century in writing that its
4 audit report was due April 15, 2007. New Century failed to submit the audit report by April 15,
5 2007.

6 4. On June 13, 2007, a further letter was sent to New Century demanding that the audit
7 report be filed no later than June 23, 2007. New Century was notified in the letter that failure to file
8 the audit report by June 23, 2007 would result in an action to either suspend or revoke its license.
9 The June 13, 2007 letter further instructed New Century regarding the requirements of filing its
10 Report on Internal Controls and its Uniform Single Attestation Program for Mortgage Bankers
11 (“USAP”) for the year ending December 31, 2006 with the annual audit report.

12 5. On June 18, 2007, New Century submitted the USAP, but stated that it would not be
13 able to submit the audit report or Report of Internal Controls due to its bankruptcy. New Century
14 requested an alternative such as un-audited financial statements. However, Financial Code section
15 17200 requires that the audit report contain audited financial statements.

16 6. New Century has yet to file the audit report, or Report on Internal Controls as
17 required by Financial Code section 50200.

18 7. Failure to file an audit report is grounds under California Financial Code section
19 50327 for the revocation of a license issued under the CRMLA.

20 8. On September 12, 2007, the Commissioner issued a Notice of Intention to Issue
21 Order Revoking Residential Mortgage Lender and Loan Servicer License, Accusation, and
22 accompanying documents against New Century based upon the above, and New Century was served
23 with those documents on September 12, 2007 via certified, return-receipt mail at its licensed main
24 office location on file with the California Department of Corporations and on its registered agent for
25 service of process in California. The Department has received no request for a hearing from New
26 Century and the time to request a hearing has expired.

27 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the residential
28 mortgage lender and residential mortgage loan servicer license issued by the Commissioner to New

1 Century is hereby revoked. This order is effective as of the date hereof. Pursuant to California
2 Financial Code sections 50310 and 50311, New Century has sixty days within which to transfer its
3 existing service accounts and complete any loans for which it had commitments.

4 Dated: October 4, 2007
5 Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

6 By _____
7 Alan S. Weinger
8 Lead Corporations Counsel

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