

1 MARY ANN SMITH  
Deputy Commissioner  
2 SEAN M. ROONEY  
Assistant Chief Counsel  
3 JUDY L. HARTLEY (State Bar No. 110628)  
Senior Corporations Counsel  
4 Department of Business Oversight  
320 West 4<sup>th</sup> Street, Ste. 750  
5 Los Angeles, California 90013-2344  
Telephone: (213) 576-7604  
6 Facsimile: (213) 576-7181

7 Attorneys for Complainant

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

11	In the Matter of	)	CRMLA License No.: 413-0876
12	THE COMMISSIONER OF BUSINESS	)	
13	OVERSIGHT,	)	STATEMENT OF FACTS IN SUPPORT OF
14	Complainant,	)	ORDER TO DISCONTINUE VIOLATIONS
15	vs.	)	PURSUANT TO FINANCIAL CODE
16	POINT MORTGAGE CORPORATION doing	)	SECTION 50321 AND NOTICE OF INTENT
17	business in California as POINT MORTGAGE	)	TO MAKE ORDER FINAL
18	FINANCIAL,	)	
19	Respondent.	)	

20 The Complainant is informed and believes and based upon such information and belief,  
21 alleges and charges as follows:

22 1. Point Mortgage Corporation doing business in California as Point Mortgage Financial  
23 (“Point Mortgage”) is a residential mortgage lender licensed by the Commissioner of Business  
24 Oversight ("Commissioner" or "Complainant") pursuant to the California Residential Mortgage  
25 Lending Act ("CRMLA") (Fin. Code §§ 50000 et seq.). Point Mortgage has its principal place of  
26 business located at 864 Amena Court, Chula Vista, California 91910. Point Mortgage currently has  
27 4 branch office locations under its CRMLA license located in California. Point Mortgage employs  
28 mortgage loan originators in its CRMLA business.

STATEMENT OF FACTS IN SUPPORT OF ORDER TO DISCONTINUE VIOLATIONS  
PURSUANT TO FINANCIAL CODE SECTION 50321 AND NOTICE OF INTENT TO MAKE  
ORDER FINAL

**Violations of the CRMLA**

2. On or about January 4, 2012, the Commissioner, by and through staff, commenced a regulatory examination of the books and records of Point Mortgage under the CRMLA (“2012 regulatory examination”). The 2012 regulatory examination disclosed that in 6 of the 27 funded loans reviewed, or approximately 22%, Point Mortgage was charging the borrower per diem interest in excess of one day prior to the disbursement of loan proceeds in violation of Financial Code section 50204, subdivision (o). The per diem interest overcharges averaged \$130.76 per loan. The range of per diem interest overcharges was between \$46.74 and \$317.01. The range of days that interest was overcharged was between 1 and 4.

3. On or about June 4, 2014, the Commissioner, based upon the findings of the 2012 regulatory examination, directed Point Mortgage, pursuant to Financial Code section 50307, subdivision (b), to conduct a self-audit regarding per diem interest charges for all loans originated from July 6, 2009 through June 4, 2014; make appropriate refunds; and submit a report as to the findings of the self-audit (“self-audit report”). The self-audit report was to be submitted in electronic format (Excel), and was to include at a minimum the loan number; borrower’s name; loan amount; interest rate; date funds were disbursed by the settlement agent; the date per diem interest commenced; daily per diem interest amount; per diem interest collected; per diem interest overcharged; and the date refunded.

4. On or about September 15, 2014, Point Mortgage submitted its self-audit report to the Commissioner. The self-audit report filed by Point Mortgage failed to identify: the date loan proceeds were disbursed by the settlement agent; the date per diem interest commenced; per diem interest collected; per diem interest overcharged; and the amount and date refunds were made, if any.

5. On or about October 10, 2014, Point Mortgage was notified in writing of its failure to comply with the Commissioner’s directives regarding the self-audit report. Point Mortgage was then directed to submit an audit report prepared by a third party to include all the information required in the self-audit report. Point Mortgage has failed to submit the third party audit report as required by the October 10, 2014 letter or otherwise respond.

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6. By reason of the foregoing, Point Mortgage has violated Financial Code sections 50204, subdivision (o) and 50307, subdivision (b).

7. Financial Code section 50321 provides in pertinent part:

If, after investigation, the commissioner has reasonable grounds to believe that any licensee has violated its articles of incorporation or any law or rule binding upon it, the commissioner shall, by written order addressed to the licensee, direct the discontinuance of the violation. The order shall be effective immediately, but shall not become final except in accordance with the provisions of Section 50323.

8. Financial Code section 50323 provides:

(a) No order issued pursuant to Section 50321 or 50322 may become final except after notice to the affected licensee of the commissioner's intention to make the order final and of the reasons for the finding. The commissioner shall also notify the licensee that upon receiving a request the matter will be set for hearing to commence within 15 business days after receipt. The licensee may consent to have the hearing commenced at a later date. If no hearing is requested within 30 days after the mailing or service of the required notice, and none is ordered by the commissioner, the order may become final without hearing and the licensee shall immediately discontinue the practices named in the order. If a hearing is requested or ordered, it shall be held in accordance with the provisions of the administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code), and the commissioner shall have all the powers granted under that act. If, upon the hearing, it appears to the commissioner that the licensee is conducting business in an unsafe and injurious manner or is violating its articles of incorporation or any law of this state, or any rule binding upon it, the commissioner shall make the order of discontinuance final and the licensee shall immediately discontinue the practices named in the order.

(b) The licensee has 10 days after an order is made final to commence an action to restrain enforcement of the order. If enforcement of the order is not enjoined within 10 days by the court in which the action is brought, the licensee shall comply with the order.

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WHEREFORE, good cause showing, the Commissioner is issuing an Order to Discontinue Violations Pursuant to Financial Code Section 50321 and notifying Point Mortgage of her intention to make the order final.

Dated: March 4, 2015  
Los Angeles, CA

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
Judy L. Hartley  
Senior Corporations Counsel  
Enforcement Division