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

11 In the Matter of:) CRMLA No.: 413-0809
12)
13 THE COMMISSIONER OF BUSINESS) NMLS No.: 3244
OVERSIGHT,)
14) STIPULATION
Complainant,)
15)
16 v.)
17 RESIDENTIAL FUNDING COMPANY, LLC,)
18)
Respondent.)

19
20 This Stipulation is entered into between Respondent Residential Funding Company, LLC
21 (Respondent) on the one hand, and Complainant, the Commissioner of Business Oversight
22 (Commissioner), on the other hand (the Parties), and is made with respect to the following facts:

23 **RECITALS**

24 A. Respondent is a residential mortgage lender and loan servicer first licensed on
25 February 13, 2077 by the Commissioner pursuant to the California Residential Mortgage Lending
26 Act (Fin. Code, § 50000 et seq.) (CRMLA).

27 B. At all relevant times, Respondent had its principal place of business located at 8400
28 Normandale Lake Boulevard, Suite 350, Bloomington, Minnesota 55437.

1 C. On May 14, 2012, Respondent filed a petition for Chapter 11 reorganization in the
2 United States Bankruptcy Court for the Southern District of New York (the Court).

3 D. On December 11, 2013, pursuant to the Court’s approval of a final plan of liquidation,
4 all assets of Respondent were assigned to ResCap Liquidating Trust (ResCap) located at 8300
5 Norman Center Drive, Suite 170, Bloomington, Minnesota 55437. ResCap represents that it has
6 authority to execute this Stipulation on behalf of Respondent.

7 E. On December 16, 2013, Respondent informed the Commissioner that it desired to
8 surrender its California residential mortgage lender and loan servicer license.

9 F. Respondent has failed to submit its audited financial statement (Audit Report) to the
10 Commissioner for its 2013, 2014, and 2015 fiscal years as required by Financial Code section 50200.

11 G. Respondent failed to file its annual report of principal amount of loans and aggregate
12 amount of loans serviced for the 12-month period ended on December 31, 2015 (Activity Report) as
13 required by Financial Code sections 50307.

14 H. Further, Respondent failed to pay its annual assessment to the Commissioner for the
15 fiscal years 2014/2015 and 2015/2016 as required by Financial Code section 50401.

16 I. Failure to file an Audit Report or Activity Report and/or pay an annual assessment
17 constitutes grounds under Financial Code section 50327 for the revocation of a license issued under
18 the CRMLA.

19 J. Due to Respondent’s failure to submit the closing audit required by Financial Code
20 section 50123 and otherwise comply with the above-cited provisions of the CRMLA, the
21 Commissioner cannot accept Respondent’s request to surrender its residential mortgage lender and
22 loan servicer license.

23 K. The Commissioner finds that entering into this Stipulation is in the public interest and
24 consistent with the purposes fairly intended by the policy and provisions of the CRMLA.

25 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
26 forth herein, the parties stipulate as follows:

27 **TERMS AND CONDITIONS**

28 1. Purpose. It is the intention of the Parties to resolve this matter for the purpose of

1 judicial economy and expediency and without the uncertainty and expense of a hearing and/or other
2 litigation.

3 2. License Revocation. Respondent hereby consents to the Commissioner issuing an
4 order revoking its residential mortgage lender and loan servicer license in accordance with the
5 provisions of the CRMLA in the form attached hereto as Exhibit A (Revocation Order). After
6 Respondent has executed this Stipulation, the Revocation Order shall become effective on the date
7 the order is signed by the Commissioner.

8 3. Waiver of Hearing Rights. Respondent hereby waives all rights to hearing, and to any
9 reconsideration, appeal, or other rights which may be afforded pursuant to CRMLA, the California
10 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law
11 in connection with these matters and, by waiving such rights, consents to the Revocation Order
12 provided for in Paragraph 2 becoming final.

13 4. Admissions. Respondent admits to the facts recited herein solely for the limited
14 purposes of these proceedings and any future proceeding(s) that may be initiated by or brought before
15 the Commissioner against Respondent. It is the intent and understanding between the parties that this
16 Stipulation, and particularly the admissions of Respondent herein, shall not be binding or admissible
17 against Respondent in any action(s) brought against Respondent by third parties.

18 5. Stipulation Coverage. The parties hereby acknowledge and agree that this Stipulation
19 is intended to constitute a full, final, and complete resolution of the matters set forth herein and that
20 no further proceedings or actions will be brought by the Commissioner in connection with these
21 matters under the CRMLA or any other provision of law, excepting therefrom any proceeding or
22 action if such proceeding or action is based upon facts not presently known to the Commissioner or
23 which were knowingly concealed from the Commissioner by Respondent.

24 6. Commissioner's Duties. The parties acknowledge and agree that nothing contained in
25 this Stipulation shall operate to limit the Commissioner's ability to assist any other agency, (county,
26 state or federal) with any prosecution, administrative, civil or criminal, brought by any such agency
27 against Respondents or any other person based upon any of the activities alleged in this matter or
28 otherwise.

1 7. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
2 has been advised to seek independent advice from its attorney(s) and/or representatives with respect
3 to the advisability of executing this Stipulation.

4 8. Reliance. Each of the parties represents, warrants, and agrees that in executing this
5 Stipulation it has relied solely on the statements set forth herein and the advice of its own counsel
6 and/or representative. Each of the parties further represents, warrants, and agrees that in executing
7 this Stipulation it has placed no reliance on any statement, representation, or promise of any other
8 party, or any other person or entity not expressly set forth herein, or upon the failure of any party or
9 any other person or entity to make any statement, representation or disclosure of anything
10 whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in any
11 way fraudulently induced to execute this Stipulation; and (2) to preclude the introduction of parol
12 evidence to vary, interpret, supplement, or contradict the terms of this Stipulation.

13 9. Full Integration. This Stipulation is the final written expression and the complete and
14 exclusive statement of all the agreements, conditions, promises, representations, and covenants
15 between the parties with respect to the subject matter hereof, and supercedes all prior or
16 contemporaneous agreements, negotiations, representations, understandings, and discussions between
17 and among the parties, their respective representatives, and any other person or entity, with respect to
18 the subject matter covered hereby.

19 10. No Presumption from Drafting. In that the parties have had the opportunity to draft,
20 review and edit the language of this Stipulation, no presumption for or against any party arising out
21 of drafting all or any part of this Stipulation will be applied in any action relating to, connected, to, or
22 involving this Stipulation. Accordingly, the parties waive the benefit of California Civil Code section
23 1654 and any successor or amended statute, providing that in cases of uncertainty, language of a
24 contract should be interpreted most strongly against the party who caused the uncertainty to exist.

25 11. Headings and Governing Law. The headings to the paragraphs of this Stipulation are
26 inserted for convenience only and will not be deemed a part hereof or affect the construction or
27 interpretation of the provisions hereof.

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1 12. Counterparts. This Stipulation may be executed in one or more counterparts, each of
2 which shall be an original but all of which, together, shall be deemed to constitute a single document.
3 This Stipulation may be executed by facsimile signature, and any such facsimile signature by any
4 party hereto shall be deemed to be an original signature and shall be binding on such party to the
5 same extent as if such facsimile signature were an original signature.

6 13. Settlement Authority. Each signator hereto covenants that he/she possesses all
7 necessary capacity and authority to sign and enter into this Stipulation on behalf of the named party.

8 14. Effective Date. This Stipulation and the attached Revocation Order shall become
9 effective on the date executed by the Commissioner.

10 15. Notice. Any notices required under this Stipulation shall be provided to each party at
11 the following addresses:

12 If to Respondent to: Jill M. Horner, Chief Financial Officer
13 ResCap Liquidating Trust
14 8300 Norman Center Drive, Suite 170
 Bloomington, Minnesota 55437

15 If to the Commissioner to: Miranda LeKander, Senior Counsel
16 Department of Business Oversight
17 1515 K Street, Suite 200
 Sacramento, California 95814

18 Dated: 8/5/16 JAN LYNN OWEN
19 Commissioner of Business Oversight

20
21 By _____
22 MARY ANN SMITH
23 Deputy Commissioner

24 Dated: 8/4/16 RESIDENTIAL FUNDING COMPANY, LLC

25
26 By _____
27 JILL M. HORNER, Chief Financial Officer
28 RESCAP LIQUIDATING TRUST