

1 MARY ANN SMITH  
2 DEPUTY COMMISSIONER  
3 320 WEST 4<sup>th</sup> Street, Ste. 750  
4 LOS ANGELES, CALIFORNIA 90013-1105

5 Attorneys for Complainant

6  
7 BEFORE THE DEPARTMENT OF CORPORATIONS  
8 OF THE STATE OF CALIFORNIA  
9

10 In the Matter of the Accusation of THE )  
11 COMMISSIONER OF CORPORATIONS OF ) File No. 413 1022  
12 THE STATE OF CALIFORNIA, )  
13 )  
14 Complainant, )  
15 )  
16 vs. )  
17 )  
18 RESIDENTIAL HOME FUNDING CORP., )  
19 )  
20 Respondent. )  
21 )  
22 )  
23 )

24 ORDER TO DISCONTINUE RESIDENTIAL MORTGAGE LENDING  
25 AND/OR SERVICING ACTIVITIES PURSUANT TO  
26 SECTION 50319, CALIFORNIA FINANCIAL CODE  
27

28 TO: RESIDENTIAL HOME FUNDING CORP.  
707 WESTCHESTER AVENUE, SUITE 305  
WHITE PLAINS, NY 10604

THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA  
FINDS THAT:

RESIDENTIAL HOME FUNDING CORP. has failed to comply with the bonding requirements of the California Residential Mortgage Lending Act (California Financial Code Section 50000 et seq.) in that effective January 1, 2013 Bond No. 017027894 issued by LIBERTY MUTUAL INSURANCE COMPANY in favor of RESIDENTIAL HOME FUNDING CORP. expired and no replacement bond has been obtained.

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2           Based on the foregoing, Respondent is conducting residential mortgage lending  
3 and/or servicing business in violation of Section 50205 of the Financial Code and is conducting  
4 business in such an unsafe and injurious manner as to render further operations hazardous to the  
5 public or to customers.

6           NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING  
7 THEREFORE, it is hereby ORDERED, under the provisions of Section 50319 of the California  
8 Financial Code, RESIDENTIAL HOME FUNDING CORP. immediately discontinue the  
9 disbursement, in whole or in part, of trust funds held by the licensee and establish a separate trust  
10 account for all subsequent trust funds received by the licensee.  
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12           THIS ORDER is to remain in full force and effect until further order of the Commissioner.  
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14           Section 50319 of the Financial Code provides as follows:

15           (a) If the commissioner, as a result of any examination or from any report  
16 made to him or her, shall find that any person subject to this division is in an  
17 insolvent condition, is conducting business in an unsafe or injurious manner that  
18 renders further operations hazardous to the public or to customers, has failed to  
19 comply with the provision of Section 50317, has permitted its tangible net worth  
20 to be lower than the minimum required by law, or has failed to comply with the  
21 bonding requirements of Section 50205, the commissioner may, by an order  
22 addressed to and served by registered or certified mail, or by personal service on  
23 that person, and on any other person having in his or her possession or control any  
24 trust funds or other property deposited in escrow with that person, direct  
25 discontinuance of the disbursement, in whole or in part, of trust funds held by the  
26 licensee and order the establishment of a separate trust account for all subsequent  
27 trust funds received by the licensee. No person having in his or her possession any  
28 of these funds or documents shall be liable for failure to comply with the order  
unless he or she has received written notice of the order. Subject to subdivision  
(b), the order shall remain in effect until set aside by the commissioner, or the  
person is the subject of an order for relief in bankruptcy.

(b) Within 15 days from the date of an order pursuant to subdivision (a),  
the person may request a hearing under the Administrative Procedure Act  
(Chapter 5 (commencing with Section 11500) of Part 2 of Division 3 of Title 2 of  
the Government Code). Upon receiving a request, the matter shall be set for  
hearing to commence within 30 days after the receipt unless the person subject to  
this division consents to a later date. If no hearing is requested within 15 days  
after the mailing or service of the notice and none is ordered by the commissioner,

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the failure to request a hearing shall constitute a waiver of the right to a hearing.  
Neither the request for a hearing nor the hearing itself shall stay the order issued  
by the commissioner under subdivision (a).

DATED: January 3, 2013  
Los Angeles, California

JAN LYNN OWEN  
Commissioner of Corporations

By \_\_\_\_\_  
DiAun M. Burns  
Special Administrator  
California Residential Mortgage Lending Act  
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