

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 BRENT LINDGREN (BAR NO. 170306)
Senior Corporations Counsel
4 1515 K Street, Suite 200
Sacramento, California 95814
5 Telephone: (916) 322-8778 Fax: (916) 445-6985

6 Attorneys for Complainant

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

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

) File No.: 413-0521

12

Complainant,

) **ORDER REVOKING RESIDENTIAL
MORTGAGE LENDER AND LOAN
SERVICER LICENSE**

14

v.

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16 RESIDENTIAL LOAN CENTERS OF
AMERICA,

17

Respondent.

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The California Corporations Commissioner finds:

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21 1. Respondent Residential Loan Centers of America (“Residential Loan Centers”) is a
22 residential mortgage lender and loan servicer licensed by the California Corporations Commissioner
23 (“Commissioner”) pursuant to the California Residential Mortgage Lending Act (California Financial
24 Code, § 50000, *et seq.*) (“CRMLA”). Residential Loan Centers had its principal place of business
25 located at 2700 South River Road, Des Plaines, Illinois 60018.

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27 2. Pursuant to California Financial Code sections 50307 and 50401 and California Code
28 of Regulations, title 10, section 1950.314.8, Residential Loan Centers is required to file an annual (1)
Report of Principal Amount of Loans and Aggregate Amount of Loans Serviced (“Activity Report”),

1 (2) Report on Non-traditional, Adjustable Rate and Mortgage Loan Products (“Non-traditional
2 Report”), and (3) Non-traditional, Adjustable Rate and Mortgage Loan Survey (“Survey”) on or
3 before March 1st of each year for the preceding 12-month period ended December 31.

4 3. On January 23, 2009, an Activity Report form, Non-traditional Report form and
5 Survey were sent to all CRMLA licensees with a notice that they were due on or before March 1,
6 2009. Residential Loan Centers has not yet submitted the Activity Report, the Non-traditional Report
7 or the Survey to the Commissioner.

8 4. On May 22, 2009, a letter was sent to Residential Loan Centers demanding that the
9 Activity Report be filed “within ten (10) days of the date of this letter,” and assessing Residential
10 Loan Centers a penalty of \$1,000 pursuant to California Financial Code section 50326. Residential
11 Loan Centers was notified in the letter that failure to file the reports or pay the penalty would result in
12 action to either suspend or revoke its license.

13 5. Residential Loan Centers has yet to submit the Activity Report, Non-traditional Report
14 or pay the penalty as required by California Financial Code sections 50307, 50326, 50401 and
15 California Code of Regulations, title 10, section 1950.314.8.

16 6. Pursuant to California Financial Code section 50200, Residential Loan Centers was
17 required to submit its audited financial statement for its fiscal year ended December 31, 2008 (“Audit
18 Report”) to the Commissioner on or before April 15, 2009, including a reconciliation of its trust
19 accounts and an Independent Auditor's Report on Internal Controls (“Report on Internal Controls”)
20 pursuant to the California Code of Regulations, title 10, section 1950.200. Residential Loan Centers
21 has not yet filed its Audit Report, trust account reconciliation, or Report on Internal Controls with the
22 Commissioner despite having been sent numerous reminders.

23 7. On December 23, 2008, the Department notified Residential Loan Centers in writing
24 that its Audit Report, trust account reconciliation, and Report on Internal Controls were due on or
25 before April 15, 2009. Residential Loan Centers was advised in that letter that failure to file these
26 reports might “result in fines in accordance with Financial Code section 50326, an immediate
27 examination by the Commissioner in accordance with Financial Code section 50307, and/or
28 revocation of the license.”

1 8. On or about April 21, 2009, a second letter was sent to Residential Loan Centers
2 demanding that it file the Audit Report, trust account reconciliation, and Report on Internal Controls
3 “within ten (10) days of the date of this letter.” Residential Loan Centers failed to submit the Audit
4 Report, trust account reconciliation, and Report on Internal Controls or respond to the letter.

5 9. On or about June 10, 2009, a final letter was sent to Residential Loan Centers
6 demanding that the Audit Report, trust account reconciliation, and Report on Internal Controls be
7 filed “no later than 10 days from the date of this letter,” and assessing Residential Loan Centers a
8 penalty of \$1,000 pursuant to California Financial Code section 50326. Residential Loan Centers
9 was notified in that letter that its failure to file the Audit Report, trust account reconciliation, Report
10 on Internal Controls and/or pay the penalty would result in an action to either suspend or revoke its
11 license pursuant to California Financial Code section 50327.

12 10. Residential Loan Centers has yet to file its Audit Report, trust account reconciliation,
13 Report on Internal Controls, or pay the penalty as required by Financial Code sections 50200, 50326
14 and Title 10, section 1950.200 of the California Code of Regulations.

15 11. Failure to file an activity report, non-traditional report, survey, audit report, trust
16 account reconciliation, and report on internal controls are grounds under California Financial Code
17 section 50327 for the revocation of a license issued under the CRMLA.

18 10. On November 2, 2009, the Commissioner issued a Notice of Intention to Issue Order
19 Revoking Residential Mortgage Lender and Loan Servicer License, Accusation and accompanying
20 documents against Residential Loan Centers based upon the above, and those documents were sent to
21 Residential Loan Centers via certified mail, return receipt requested, at its licensed location on file
22 with the California Department of Corporations on November 2, 2009. The Department has received
23 no request for a hearing from Residential Loan Centers, and the time to request a hearing has expired.

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1 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the residential
2 mortgage lender and loan servicing license issued by the Commissioner to Residential Loan Centers
3 of America, Inc. is hereby revoked. This order is effective as of the date hereof. Pursuant to
4 California Financial Code section 50311, Residential Loan Centers has sixty (60) days within which
5 to complete any loans for which it had commitments.

6 DATED: January 7, 2010
7 Sacramento, CA

8 PRESTON DuFAUCHARD
9 California Corporations Commissioner

10 By _____
11 Alan S. Weinger
12 Deputy Commissioner
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