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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of:)	NMLS NO. 1529259
)	
THE COMMISSIONER OF BUSINESS OVERSIGHT,)	
)	
Complainant,)	ORDER DENYING MORTGAGE LOAN
)	ORIGINATOR APPLICATION
v.)	
)	
TRAVIS VAN BROOKS,)	
)	
Respondent.)	
)	

The Commissioner of Business Oversight of the State of California (“Commissioner”) finds that:

- On or around November 8, 2016, Van Brooks filed an application for an MLO license with the Commissioner by submitting a Form MU4 through the Nationwide Mortgage Licensing System (“NMLS”) (hereinafter, “Application”) pursuant to Financial Code section 50140.
- Van Brooks answered “Yes” to questions (K)(5), (K)(6), and (K)(7), which ask, in pertinent part, whether any State agency has ever:
 - revoked your registration or license?
 - denied or suspended your registration or application for licensure,

1 disciplined you, or otherwise by order, prevented you from associating with a
2 financial services-related business or restricted your activities?
3 (7) barred you from association with any entity regulated by such
4 commissions, authority, agency, or officer, or from engaging in a financial
5 services-related business?

6 3. Van Brooks's explanation in the Application disclosed that he had surrendered his
7 mortgage loan officer license in North Carolina after he became the subject of an investigation
8 by the North Carolina Commissioner of Banks. Van Brooks's explanation stated that while
9 working at a company called Residential Mortgage Center (RMC), Van Brooks handled loan
10 originations for consumers seeking to purchase homes from a company called Key Builders.
11 Van Brooks stated that shortly after he left Residential Mortgage Center for another opportunity,
12 an investigator from the North Carolina Commissioner of Banks contacted him:

13 [The investigator] explained the circumstances, which caught me off guard as I
14 was under the understanding that procedures were being followed as they were
15 taught me by Residential Mortgage Center. It seems the builder was not being
16 completely honest with their clients. They were either contradicting things that I
17 specifically told the borrower, not allowing the borrower access to any of the
18 information regarding the loan, or having someone that was not the borrower call
19 to complete the application pretending to be the borrower.

20 4. Van Brooks stated that he had decided to surrender his license, but also claimed that
21 "issues at hand were strictly procedural."

22 5. On December 20, 2016, the Department of Business Oversight ("Department") requested
23 that Van Brooks upload copies of "any applicable legal documents" relating to his responses to
24 items (K)(5), (K)(6), and (K)(7) on Form MU4.

25 6. On December 27, 2016, Van Brooks changed his response to question (K)(5) from "Yes"
26 to "No," and replaced his previous explanation concerning why he had surrendered his North
27 Carolina license. Van Brooks's new explanation disclosed that while Van Brooks "was a young
28 loan officer" working at RMC, he was "under direct management supervision and followed their
29 direction without question." Further in the explanation, Van Brooks repeats twice more that he
30 was following his employer's directions. With respect to Van Brooks's dealings with Key

1 Builders, the explanation states that Van Brooks “was told to accept applications from the
2 builder liaison and originate them according[ly].” Van Brooks further claimed that “the
3 applications were being altered or manipulated by the builder in question and by employees of
4 the builder before [Van Brooks] received them and essentially, unknown to [Van Brooks], these
5 applications were fraudulent.”

6 7. On January 4, 2017, the Department again requested that Van Brooks upload copies of
7 “any applicable legal documents” relating to his responses to items (K)(5), (K)(6), and (K)(7) on
8 Form MU4.

9 8. On January 17, 2017, Van Brooks filed an amended Form MU4 in which he uploaded the
10 Voluntary Surrender and Order relating to the surrender of his North Carolina license. The
11 Voluntary Surrender and Order stated that:

12 a. Van Brooks had acknowledged in an interview that he had allowed “an employee
13 of Key Builders to act as a licensed loan officer by quoting rates and explaining
14 residential mortgage loans to borrowers when in fact [the employee] was not licensed as a
15 loan officer.”

16 b. Van Brooks had acknowledged that, with respect to a specific loan origination,
17 “he had signed the Uniform Residential Loan Application establishing that he had spoken
18 with the borrowers, when in fact, he had never met with the borrowers nor had he advised
19 the borrowers of the rates or conditions of the mortgage loan that they had obtained
20 through Residential Mortgage Center, Inc.”

21 9. The Voluntary Surrender and Order included a “Voluntary Witness Statement” that Van
22 Brooks had executed stating that while he was working with Key Builders, the loan origination
23 volume increased over time and Van Brooks would advise a Key Builders employee “to speak to
24 the borrowers and relate the loan information to the borrowers to include interest rate, payment
25 amounts and other loan information. I know there were borrowers that obtained loans through
26 The Residential Mortgage Center Inc. and I never spoke to the borrowers.” With respect to a
27 particular loan origination that had been subject of a complaint to the North Carolina
28 Commissioner of Banks, Van Brooks stated that, “I know that I should not have allowed [the
29

1 Key Builders employee] to act as a loan officer and quote rates. I allowed this to occur to
 2 expedite the loans.”

3 10. The Voluntary Surrender and Order also included a “Voluntary Surrender Statement’ in
 4 which Van Brooks stated that he had signed a Uniform Residential Mortgage Loan application
 5 attesting that he had advised borrowers about their loan when he had not in fact advised the
 6 borrowers.

7 11. On January 24, 2017, Van Brooks filed an amended MU4 in which he removed the
 8 uploaded copy of the Voluntary Surrender and Order and replaced it with a copy of the written
 9 explanation he had previously submitted on December 27, 2016.

10 12. Financial Code section 50141 provides in relevant part:

11 (a) The commissioner *shall* deny an application for a mortgage loan
 12 originator license unless the commissioner makes *at a minimum the*
 13 *following findings: . . .*

14 (3) The applicant has demonstrated such financial responsibility,
 15 character, and general fitness as to command the confidence of the
 16 community and to warrant a determination that the mortgage loan
 17 originator will operate honestly, fairly, and efficiently within the
 18 purposes of this division (Emphasis added)

19 13. Van Brooks’s behavior prior to and during Van Brooks’s application process reveals that
 20 Van Brooks has failed to demonstrate the financial responsibility, character, and general fitness
 21 necessary for an MLO.

22 14. By allowing a person who was not a licensed loan officer to unlawfully act as a loan
 23 officer, and fraudulently affirming on a loan application that he had dealt directly with borrowers
 24 when he had not, Van Brooks demonstrated a lack of financial responsibility, character, and
 25 general fitness necessary to serve as an MLO in California. Although Van Brooks asserts that he
 26 was acting at the direction of his superiors, an MLO must be aware of the relevant laws and
 27 regulations governing the mortgage origination process, and follow them even if a supervisor
 28 directs otherwise.

29 15. Van Brooks’s actions and statements during the MLO application process also show that
 Van Brooks lacks the character and general fitness to act as an MLO in California. In particular,

1 Van Brooks was evasive and incomplete in his disclosures to the Department concerning his past
2 conduct in North Carolina. It is concerning that Van Brooks failed to provide the Voluntary
3 Surrender and Order when the Department first requested the document, and later removed the
4 document from his application. Moreover, neither of the two explanations Van Brooks provided
5 the Department disclosed that while Van Brooks was a mortgage loan officer in North Carolina,
6 he signed a mortgage loan application affirming that he had spoken with borrowers when he had
7 not, or that there were other borrowers to whom he never spoke. Finally, while Van Brooks's
8 first explanation suggested that prior to North Carolina's investigation he was unaware of any
9 improper activity, his second explanation and the Voluntary Surrender and Order show that Van
10 Brooks was fully aware that he was not dealing directly with borrowers when communicating the
11 terms and conditions of borrowers' loans.

12 16. The Commissioner finds that Van Brooks does not meet at least one of the minimum
13 requirements for issuance of an MLO license as set forth in Financial Code section 50141. The
14 behavior that led to Van Brooks's surrender of his North Carolina license, and his failure to be
15 forthright in his application to the Department, belie the requirement under Financial Code
16 section 50141, subdivision (a)(3), that the applicant demonstrate "such financial responsibility,
17 character, and general fitness as to command the confidence of the community and to warrant a
18 determination that the mortgage loan originator will operate honestly, fairly, and efficiently
19 within the purposes of this division."

20 17. On May 30, 2017, the Commissioner issued a Notice of Intention to Deny Mortgage
21 Loan Originator Application; Statement to Respondent; Statement of Issues; Government Code
22 sections 11507.5, 11507.6 and 11507.7; and Notice of Defense. These documents were served
23 upon Van Brooks on June 15, 2017.

24 18. Van Brooks has not requested a hearing and the time to request a hearing has expired.

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NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the mortgage loan originator application filed by Travis Van Brooks be denied. This order is effective as of the date hereof.

Dated: July 14, 2017
San Francisco, CA

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
Mary Ann Smith
Deputy Commissioner
Enforcement Division