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

11 In the Matter of:) CRMLA LICENSE NO.: 413-1101
12)
13 THE COMMISSIONER OF BUSINESS) STATEMENT OF FACTS IN SUPPORT OF
OVERSIGHT,) ORDER TO DISCONTINUE VIOLATIONS
14) UNDER FINANCIAL CODE SECTION 50321
Complainant,) AND NOTICE OF INTENT TO MAKE
15) ORDER FINAL
16 v.)
17)
18 VENTA FINANCIAL GROUP, INC., DBA)
ALTERRA HOME LOANS)
19)
Respondent.)
20)

21 The Complainant, Jan Lynn Owen, the Commissioner of Business Oversight (Commissioner),
22 is informed and believes and based upon such information and belief, alleges and charges as follows:

23 **I.**

24 **Introduction**

25 1. Venta Financial Group, Inc., dba Alterra Home Loans (Venta) is a residential
26 mortgage lender and servicer under the California Residential Mortgage Lending Act (CRMLA) (Fin.
27 Code, § 50000 et seq.). Venta has its principal place of business located at 1300 S. Jones Boulevard,
28

1 Suite 150, Las Vegas, Nevada. Venta operates branch locations in California under its CMRLA
2 license and employs mortgage loan originators in its CRMLA business.

3 **II.**

4 **Per Diem Interest Overcharges**

5 2. On or about October 17, 2016, the Commissioner, by and through examination staff,
6 commenced a regulatory examination of the books and records of Venta under the CRMLA (2016
7 regulatory examination).

8 3. The 2016 regulatory examination disclosed that in 10 out of 30 funded loan files, or
9 approximately 33 percent of the loans reviewed, Venta overcharged borrowers per diem interest in
10 excess of one day prior to the disbursement of loan proceeds in violation of Financial Code section
11 50204, subdivision (o). California Per Diem Interest Disclosure forms were found in five loans with
12 per diem interest overcharges. But the disclosures were not prepared in accordance with Civil Code
13 section 2948.5, subdivision (b), or were not applicable, and therefore were not considered when
14 calculating the per diem interest charges. The per diem interest overcharges varied between
15 approximately \$29.61 and \$70.91, and Venta overcharged borrowers from at least one to three days'
16 worth of interest.

17 4. The Commissioner previously found Venta had overcharged borrowers per diem
18 interest in three out of 11 fund loan files during the September 2012 regulatory examination. Based
19 on the findings of the 2012 regulatory examination, the Commissioner instructed Venta to implement
20 such procedures as necessary to ensure it would not overcharge per diem interest in the future.

21 **III.**

22 **Conclusion**

23 5. By reason of the foregoing, Venta has violated Financial Code section 50204,
24 subdivision (o).

25 6. Financial Code section 50321 provides in pertinent part:

26 If, after investigation, the commissioner has reasonable grounds to
27 believe that any licensee has violated its articles of incorporation or any
28 law or rule binding upon it, the commissioner shall, by written order
addressed to the licensee, direct the discontinuance of the violation.

1 The order shall be effective immediately, but shall not become final
2 except in accordance with the provisions of Section 50323.

3 7. Financial Code section 50323 provides:

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

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

28 WHEREFORE, good cause showing, the Commissioner has issued an Order to Discontinue
Violations Under Financial Code section 50321 and notifies Venta Financial Group, Inc., dba Alterra
Home Loans of the Commissioner's intention to make the order final.

Dated: February 26, 2018

Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
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