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STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF BUSINESS OVERSIGHT

TO: Credential Credit Union
1451 Quail Street, Suite 210
Newport Beach, California 92660

CEASE AND DESIST ORDER
(For violations of California Financial Code sections 14050 and 14750)

The Commissioner of Business Oversight ("Commissioner") finds that:

- 1. At all relevant times, Credential Credit Union ("Credential") was an organization claiming to do business in California at 1451 Quail Street, Suite 210, Newport Beach, California and over the Internet at www.credentialunion.com and using a telephone number of (866) 620-0053 and a fax number of (949) 335-4604.
- 2. Credential has not been issued a certificate by the Commissioner authorizing it to act as a credit union in this state.
- 3. Since at least July 2015, Credential has operated under the name "Credential Credit Union" and has engaged in the business of offering or making loans in California through its website.
- 4. Credential contacts potential customers by telephone and sends loan documents to customers via facsimile. The loan documents consist of a disclosure statement, a loan agreement, a commitment letter, and account setup. Customers sign the loan documents and return them to Credential via facsimile.
- 5. By offering or making loans, Credential has created an obligation with a nonmember of the credit union. An obligation, as defined by section 14007 of the California Credit Union Law (Fin. Code, § 14000 et seq.), means any contractual obligation to the credit union for money

1 borrowed or credit extended or guaranteed from its members, including, but not limited to, loans,
2 lines of credit, agreements to extend credit, and lease agreements.

3 6. Credential collected an advance fee of \$810.00 from at least one customer for a loan
4 and then subsequently failed to make the loan.

5 Based upon the foregoing findings, the Commissioner is of the opinion that Credential Credit
6 Union has used a name which contains the phrase "credit union" without having first obtained a
7 certificate of authority from the Commissioner in violation of Financial Code section 14050.

8 Furthermore, based on the finding that Credential Credit Union has created an obligation with a
9 nonmember of the credit union, the Commissioner is of the opinion that Credential Credit Union has
10 violated Financial Code section 14750.

11 Pursuant to Financial Code section 567, Credential Credit Union is hereby ordered to cease
12 and desist from using a name which contains the phrase "credit union" and creating obligations with
13 nonmembers in the State of California without first obtaining a certificate of authority from the
14 Commissioner. This Order is necessary, in the public interest, for the protection of consumers and is
15 consistent with the purposes, policies and provisions of the California Credit Union Law.

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18 Dated: November 12, 2015
19 Sacramento, California

20 JAN LYNN OWEN
21 Commissioner of Business Oversight

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23 By _____/s/_____
24 LILA MIRRASHIDI
25 Deputy Commissioner
26 Legal Division
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