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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. 413-1231
12 THE COMMISSIONER OF BUSINESS)
13 OVERSIGHT,) ORDER OF FORFEITURE
14 Complainant,)
15 v.)
16 PRIME SOURCE MORTGAGE, INC.)
17 Respondent.)
18)
19)

20 TO: Prime Source Mortgage, Inc.
21 c/o Crystal Chavez
22 40750 Symphony Park Lane, Ste. 102
Murrieta, California 92562

23 The California Commissioner of Business Oversight (Commissioner) finds that:

24 1. Prime Source Mortgage, Inc. (Prime Source) is a residential mortgage lender licensed
25 by the Commissioner since June 25, 2013, pursuant to the California Residential Mortgage Lending
26 Act (CRMLA) (California Financial Code Section 50000 et seq.).

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2. Prime Source has its principal place of business located at: 40750 Symphony Park Lane, Murrieta, California 92562. Prime Source employs mortgage loan originators in its CRMLA business.

3. Prime Source has five licensed locations at the following locations:

- Branch NMLS #1461021, 16486 Bernardo Center Drive, # 368, San Diego, California 92128.
- Branch NMLS #1701891, 8865 Research Drive, Suite 200, Irvine, California 92618.
- Branch NMLS #1703969, 16885 West Bernardo Drive, Suite 272, San Diego, California 92127.
- Branch NMLS #1729496, 155 N. Riverview Drive, Suite 111, Anaheim Hills, California 92808.
- Branch NMLS #1738125, 10440 North Central Expressway, Suite 800, Dallas, Texas 75231.

4. Prime Source has the following approved DBAs in California:

- Home 1-2-3
- Home 123
- Home 123 Mortgage
- Mountain Trust Mortgage
- NorthStateReverse.com
- Only 1 Benji
- Rise Mortgage
- ShastalHomeLoans.com

5. On or about June 11, 2017, the Commissioner commenced a regulatory examination of the books and records of Prime Source (regulatory examination).

6. On or about June 8, 2018, and as part of the regulatory examination, Prime Source submitted a self-audit report to the Commissioner relating to per diem interest it charged customers.

1 7. Upon review, the Commissioner observed discrepancies in the self-audit report
2 submitted by Prime Source.

3 8. On July 20, 2018, the Commissioner sent a demand letter (Demand Letter), to Prime
4 Source directing it to repeat the self-audit and provide a corrected audit report within ten days from
5 the date of the Demand Letter. Prime Source’s corrected self-audit report was due to the
6 Commissioner no later than July 30, 2018.

7 9. Prime Source failed to submit a corrected self-audit report to the Commissioner by
8 July 30, 2018, in violation of Financial Code section 50326.

9 10. On August 8, 2018, Prime Source submitted a request to surrender its CRMLA
10 license through the Nationwide Mortgage Licensing System & Registry.

11 11. To date Prime Source has failed to submit a corrected self-audit report as the
12 Commissioner demanded, in violation of Financial Code section 50326.

13 12. California Financial Code section 50326 provides in pertinent part:

If any licensee fails to do any of the following, the licensee shall
forfeit to the people of the state a sum of up to one hundred dollars
(\$100) for every day up to the 10th day: (a) to make any report
required by law or by the commissioner within 10 days from the day
designated for the making of the report, or within any extension of
time granted by the commissioner, or (b) fails to include therein any
matter required by law or by the commissioner. Thereafter, any
failure shall constitute grounds for the suspension or revocation of
the license held by the residential mortgage lender or residential
mortgage loan servicer.

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21 Pursuant to Financial Code section 50326, Prime Source shall forfeit to the Commissioner
22 a sum of \$100.00 for every day, beginning July 30, 2018, up to ten days, that date being August 9,
23 2018, until Prime Source produces a corrected audit report as requested.

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NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING, it is hereby ORDERED under the provisions of Financial Code section 50326, that Prime Source Mortgage, Inc. forfeit and pay a penalty of \$1,000.00 to the Commissioner, no later than ten days from the date of this Order.

Dated: October 26, 2018

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division