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

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11 In the Matter of:) NMLS ID: 1179069
)
12 THE COMMISSIONER OF BUSINESS) ACCUSATION
13 OVERSIGHT,)
)
14 Complainant,)
)
15 v.)
)
16)
17 OSCAR A. BLANCO,)
)
18 Respondent.)
19)
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21 The Complainant, the Commissioner of Business Oversight (Commissioner), of the
22 Department of Business Oversight (Department), is informed and believes, and based upon such
23 information and belief, alleges and charges Respondent as follows:

24 **I.**
25 **Introduction**

26 1. Respondent Oscar A. Blanco (Blanco) received a mortgage loan originator (MLO)
27 license on or around March 13, 2015, pursuant to the California Residential Mortgage Lending Act
28 (Fin. Code § 50000 *et seq.*) (CRMLA).

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

III.
Failure to Promptly File Changed Information
Provides Grounds for Discipline Under the CRMLA

13. Financial Code section 50327 provides:

(a) The commissioner may, after notice and a reasonable opportunity to be heard, deny, *decline to renew*, suspend, or revoke any license if the commissioner finds that:

(1) The licensee has violated *any provision of this division or any rule or order* of the commissioner thereunder.

(2) Any fact or condition exists that, *if it had existed at the time of the original application for the license*, reasonably would have warranted the commissioner in refusing to issue the license originally.

(b) The power of investigation and examination by the commissioner is not terminated by the denial, nonrenewal, surrender, suspension, or revocation of any license issued by him or her.

14. California Code of Regulations, title 10, section 1950.122.9 provides in relevant part:

(a) Each licensed residential mortgage lender, mortgage servicer, residential mortgage lender and servicer, or mortgage loan originator shall, upon any change in the information contained in its application for license (other than financial information contained therein), *promptly* file an amendment to such application setting forth the changed information. .

(c) A mortgage loan originator shall file changed information contained in its Form MU4, and any exhibits thereto, through NMLS in accordance with its procedures for transmission to the Commissioner *within twenty (20) days of changes to the information*. Any change that cannot be submitted through NMLS shall be filed directly with the Commissioner. *A mortgage loan originator may not renew his or her license under Section 1950.122.5.3 of Subchapter 11.5 of these rules until all changes to the information contained in his or her Form MU4 are filed with the Commissioner as provided in this section.* (Emphasis applied.)

1 15. Pursuant to Financial Code section 50327, subdivision (a)(2), Blanco’s plea of nolo
2 contendere to a felony on or around September 4, 2018, which is within seven years of his request
3 for renewal of his MLO license on or around November 1, 2019, is a fact or condition that, “if it
4 had existed at the time of the original application for the license, reasonably would have warranted
5 the commissioner in refusing to issue the license originally,” because under Financial Code section
6 50141, subdivision (a)(2) a plea of nolo contendere to a felony during the seven-year period
7 preceding the date of the original application requires the Commissioner to deny the original
8 application for an MLO license.

9 16. In addition, Question (F) of the Application asks:

10 (1) Have you ever been convicted of or pled guilty or nolo contendere (‘no
11 contest’) in a domestic, foreign, or military court to any felony?

12 (2) Are there pending charges against you for any felony?

13 17. Blanco changed the information in his Application from “No” to “Yes” in Question
14 (F)(1) on or around August 30, 2019, or 360 days after he pleaded nolo contendere to a felony on or
15 around September 4, 2018. Blanco did not at any time change the information in his Application by
16 answering “Yes” to Question (F)(2) during the criminal proceedings that began on or around
17 November 22, 2017 with the filing of the Felony Complaint. Therefore, Blanco’s violation of
18 California Code of Regulations, title 10, section 1950.122.9 provides grounds for declining to
19 renew his MLO license pursuant to Financial Code section 50327, subdivision (a)(1).

20 **IV.**
21 **Conclusion**

22 The Commissioner finds that Blanco no longer meets the minimum requirements for
23 continued licensure under Financial Code section 50144, subdivision (b)(1), and section 50141,
24 subdivision (a) in that Blanco pleaded nolo contendere to a felony within seven years of his request
25 for renewal of his MLO license and also violated California Code of Regulations, title 10, section
26 1950.122.9 by failing to promptly file a change of information in his Application. Pursuant to
27 Financial Code section 50327, subdivision (a) and section 50513, subdivision (a), grounds exist to
28 decline to renew Blanco’s MLO license.

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By reason of the foregoing, pursuant to Financial Code sections 50513, 50327, 50141, and 50144, the Commissioner shall decline to renew Blanco’s MLO license.

WHEREFORE IT IS PRAYED that the mortgage loan originator license of Oscar A. Blanco not be renewed.

Dated: January 15, 2020
Los Angeles, California

MANUEL P. ALVAREZ
Commissioner of Business Oversight

By _____
Sophia C. Kim
Senior Counsel
Enforcement Division