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

10
11 In the Matter of:) NMLS ID: 1179069
12 THE COMMISSIONER OF BUSINESS)
13 OVERSIGHT,) ORDER DECLINING TO RENEW
14 Complainant,) MORTGAGE LOAN ORIGINATOR LICENSE
15 v.)
16)
17 OSCAR A. BLANCO,)
18 Respondent.)
19)

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22 The Complainant, the Commissioner of Business Oversight (Commissioner), of the
23 Department of Business Oversight (Department), finds that:

- 24 1. On or around January 2, 2015, Respondent Oscar A. Blanco (Blanco) filed an
25 application for a mortgage loan originator (MLO) license with the Commissioner by submitting a
26 Form MU4 through NMLS (hereinafter, Application) pursuant to Financial Code section 50140 of
27 the California Residential Mortgage Lending Act (Fin. Code § 50000 *et seq.*) (CRMLA).
28 2. Blanco’s Application was approved on or around March 13, 2015.

1 3. On or around November 22, 2017, in *People of the State of California v. Oscar*
 2 *Blanco*, Case No. BA 463061, the Los Angeles County District Attorney filed a Felony Complaint
 3 against Blanco alleging in Count 1 that on or around August 17, 2017, Blanco violated Vehicle
 4 Code sections 23153(a) and 23560, a felony, by driving under the influence of alcohol causing
 5 injury within 10 years of another DUI offense, which occurred on or around February 10, 2009, in
 6 *People of the State of California v. Oscar Armando Blanco*, Case No. 9PS71357, and resulted in a
 7 misdemeanor conviction on or around March 18, 2009.

8 4. On or around September 4, 2018, Blanco pleaded nolo contendere to Count 1, a
 9 violation of Vehicle Code sections 23153(a) and 23560, a felony.

10 5. On or around August 30 and September 6, 2019, Blanco filed an amended
 11 Application by answering “Yes” to Question (F)(1) in the criminal disclosure section of the
 12 Application that asks, “Have you ever been convicted of or pled guilty or nolo contendere (‘no
 13 contest’) in a domestic, foreign, or military court to any felony?” Blanco provided an explanation
 14 and uploaded legal supporting documentation to NMLS in the Application section entitled,
 15 “Disclosure Explanations.”

16 6. On or around November 1, 2019, Blanco requested renewal of his MLO license
 17 through the Nationwide Mortgage Licensing System (NMLS).

18 7. Financial Code section 50513, subdivision (a), provides in relevant part:

19 (a) The commissioner may do one or more of the following:

20 (1) Deny, suspend, revoke, condition, or ***decline to renew*** a mortgage loan
 21 originator license for a violation of this division, or any rules or
 22 regulations adopted thereunder.

23 (2) Deny, suspend, revoke, condition, or ***decline to renew*** a mortgage
 24 loan originator license if an applicant or licensee ***fails at any time*** to meet
 25 the requirements of ***Section 50141 or 50144***, or withholds information or
 26 makes a material misstatement in an application for a license or license
 27 renewal (Emphasis applied.)

28 8. Financial Code section 50144 provides in relevant part:

 (b) The ***minimum standards for license renewal*** for mortgage loan
 originators shall include the following:

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(1) The mortgage loan originator *continues to meet the minimum standards for license issuance under Section 50141* (Emphasis applied.)

9. Financial Code section 50141 provides in relevant part:

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

(2)(A) The applicant has not been convicted of, or pled guilty or nolo contendere to, a felony in a domestic, foreign, or military court during the seven-year period preceding the date of the application for licensing and registration . . .

(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.)

10. 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.

11. 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 . . .

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

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

18 13. In addition, Question (F) of the Application asks:

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

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

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

15 15. The Commissioner finds that Blanco no longer meets the minimum requirements for
16 continued licensure under Financial Code section 50144, subdivision (b)(1), and section 50141,
17 subdivision (a) in that Blanco pleaded nolo contendere to a felony within seven years of his request

1 for renewal of his MLO license and also violated California Code of Regulations, title 10, section
2 1950.122.9 by failing to promptly file a change of information in his Application. Pursuant to
3 Financial Code section 50327, subdivision (a) and section 50513, subdivision (a), grounds exist to
4 decline to renew Blanco’s MLO license.

5 16. Based on the foregoing, on January 15, 2020, pursuant to Financial Code sections
6 50513, 50327, 50141, and 50144, the Commissioner issued to Blanco the following: (1) Notice of
7 Intention to Issue Order Declining to Renew Mortgage Loan Originator License; (2) Statement to
8 Respondent; (3) Accusation; (4) Government Code sections 11507, 11507.6, and 11507.7 relating
9 to discovery; and (5) a blank Notice of Defense (Accusation).

10 17. On or around January 18, 2020, Blanco was served the Accusation at his mailing
11 address on file with the Commissioner.

12 18. Blanco did not request a hearing regarding the Accusation, and the time to request a
13 hearing has expired.

14 NOW GOOD CAUSE APPEARING THEREFORE, it is ordered that the mortgage loan
15 originator license of Oscar A. Blanco not be renewed. This order is effective as of the date hereof.

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17 Dated: March 4, 2020

18 Los Angeles, California

MANUEL P. ALVAREZ
Commissioner of Business Oversight

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By _____
Mary Ann Smith
Deputy Commissioner
Enforcement Division

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