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

11	In the Matter of:)	CRMLA LICENSE NO.: 413-0023
12)	
13	THE COMMISSIONER OF BUSINESS OVERSIGHT,)	
14	Complainant,)	STATEMENT OF FACTS IN SUPPORT OF
15	v.)	ORDER TO DISCONTINUE VIOLATIONS
16	CLOSINGMARK HOME LOANS, INC.,)	PURSUANT TO FINANCIAL CODE
17)	SECTION 50321 AND NOTICE OF INTENT
18	Respondent.)	TO MAKE ORDER FINAL
19)	

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

22 **I.**

23 **Introduction**

24 1. ClosingMark Home Loans, Inc. (ClosingMark) is a residential mortgage lender and
25 servicer licensed by the Commissioner pursuant to the California Residential Mortgage Lending Act
26 (CRMLA) (Fin. Code Section §50000 et seq.). ClosingMark has its principal place of business
27 located at 100 Pacific Drive, Suite 100, Irvine, California 92618. ClosingMark employs mortgage
28 loan originators in its CRMLA business.

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II.

Improper Loan Brokerage Agreements

2. The Commissioner is responsible for enforcing the California Residential Mortgage Lending Act (CRMLA) (Financial Code § 50000 et seq.).

3. Financial Code section 50701 provides in relevant part:

(a) As soon as practical after a borrower requests that the residential mortgage lender licensee arrange a loan to be made by another institutional lender, and before the licensee performs brokerage services for the borrower, the licensee and borrower shall enter into a written loan brokerage agreement that satisfies the requirements of this section.

(b) Both the licensee’s authorized representative, who shall be a licensed mortgage loan originator, and the borrower shall sign and date the loan brokerage agreement, and the licensee shall deliver a copy of the fully executed loan brokerage agreement to the borrower either upon execution, if the documents are signed in the licensee’s office, or within three business days after execution.

4. On or about June 24, 2019, the Commissioner, through staff, commenced a regulatory examination of ClosingMark. The regulatory examination disclosed that ClosingMark had failed to obtain signatures from either the mortgage loan originator or the borrower(s) in violation of Financial Code section 50701, subdivision (b) in 4 of the 13 brokered loans reviewed.

5. The Commissioner had found that ClosingMark had failed to obtain signatures on loan brokerage agreements in violation of Financial Code section 50701, subdivision (b) during the last regulatory examination commenced in September 2015. Based upon the findings of the 2015 regulatory examination, the Commissioner instructed ClosingMark to implement such procedures as necessary to ensure that loan brokerage agreements were properly executed in the future.

III.

Conclusion

6. By reason of the foregoing, ClosingMark Home Loans, Inc. has violated Financial Code section 50701, subdivision (b).

7. Financial Code section 50321 provides in pertinent part:

If, after investigation, the commissioner has reasonable grounds to believe that any licensee has violated its articles of incorporation or any law or rule binding upon it, the commissioner shall, by written order

1 addressed to the licensee, direct the discontinuance of the violation. The
2 order shall be effective immediately, but shall not become final except
3 in accordance with the provisions of Section 50323.

4 8. Financial Code section 50323 provides:

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

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

WHEREFORE, good cause showing, the Commissioner is issuing an Order to Discontinue
Violations Pursuant to Financial Code Section 50321 and notifying ClosingMark Home Loans, Inc.
of the Commissioner's intention to make the order final.

Dated: March 4, 2020
Los Angeles, CA

MANUEL P. ALVAREZ
Commissioner of Business Oversight

By _____
Mary Ann Smith
Deputy Commissioner
Enforcement Division