

1 MARY ANN SMITH
Deputy Commissioner
2 DANIEL P. O'DONNELL
Assistant Chief Counsel
3 JOANNE ROSS (State Bar No. 202338)
Senior Counsel
4 Department of Business Oversight
5 1515 K Street, Suite 200
6 Sacramento, California 95814
7 Telephone: (916) 324-9687
Facsimile: (916) 445-6985
8 Attorneys for Complainant

10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA

12 In the Matter of:) CRMLA License No.: 413-1208
13 THE COMMISSIONER OF BUSINESS)
14 OVERSIGHT,) CONSENT ORDER
15 Complainant,)
16 v.)
17 GSF Mortgage Corporation,)
18 Respondent.)
19 _____)

21 The Commissioner of Business Oversight (Commissioner) and GSF Mortgage Corporation
22 (GSF), (collectively, the parties), enter into this Consent Order with respect to the following facts:

23 RECITALS

24 A. The Commissioner has jurisdiction over the licensing and regulation of persons and entities
25 engaged in the business of lending and servicing residential mortgage loans pursuant to the
26 California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et seq.).

27 C. GSF is a residential mortgage lender and servicer licensed by the Commissioner. GSF
28 obtained its mortgaged lender license on June 1, 2012 and its servicer license on February 23, 2018

1 (CRMLA License No. 413-1208). GSF has its principal office located at 15430 W. Capitol Drive,
2 Brookfield, Wisconsin 53005.

3 D. Deborah Beier is the Chief Operating Officer and a control person of GSF and, as such, is
4 authorized to enter this Consent Order on GSF's behalf.

5 E. During a regulatory examination of GSF conducted in 2018 (2018 Exam), the Commissioner
6 discovered that GSF had engaged in violations of the CRMLA, including:

- 7 i. Servicing loans without first obtaining authority to do so in violation of Financial
8 Code sections 50002 and 50130; and
- 9 ii. Failing to provide required disclosures to applicants regarding appropriate agencies to
10 contact with complaints and for information in violation of California Code of
11 Regulations, title 21, section 7114.

12 F. GSF admits to the jurisdiction of the Department of Business Oversight (Department), and it
13 is the intention of the parties to resolve this matter without the necessity of a hearing and/or other
14 litigation.

15 G. The Commissioner finds this action is appropriate, in the public interest, and consistent with
16 the purposes fairly intended by the policies and procedures of the CRMLA.

17 NOW, THEREFORE, for good and valuable consideration, and the terms and conditions set
18 forth herein, the parties agree as follows:

19 TERMS

20 1. Purpose: This Consent Order resolves the issues before the Commissioner described above
21 in a manner that avoids the expense of a hearing and other possible court proceedings, protects
22 consumers, is in the public interest, and is consistent with the purposes, policies, and provisions of
23 the CRMLA.

24 2. Order to Discontinue Violations: The Commissioner hereby orders that in accordance with
25 Financial Code section 50321, GSF shall immediately discontinue the violations set forth in
26 Paragraph E above. GSF agrees that this Order to Discontinue Violations is hereby deemed a final
27 order.

28 3. Declaration of Policies and Procedures: GSF has submitted to the Commissioner the policies

1 and procedures that have been implemented as of the date of this Consent Order by GSF to ensure
2 compliance with California Code of Regulations, title 21, section 7114. The Commissioner has
3 reviewed and determined that the policies and procedures are satisfactory. GSF agrees to continue
4 implementing those policies and procedures in the future.

5 4. Self-Audit: GSF agrees to audit all California loans originated and/or funded by GSF from
6 thirty-six months prior to the Effective Date of this Consent Order through six months after the
7 Effective Date of this Consent Order (Self-Audit). GSF agrees to produce a Self-Audit Report for
8 the Commissioner containing information specified herein no later than 90 days after the last day of
9 the Self-Audit period.

10 5. Self-Audit Accuracy and Re-Audit:

11 A. GSF agrees and acknowledges that the Commissioner may test the results of the Self-
12 Audit Report to ensure its accuracy. In connection with these tests, GSF agrees to provide loan files
13 and related information requested by the Commissioner within 10 calendar days of receiving written
14 notice. GSF further agrees to have its Self-Audit conducted anew (Re-Audit) by and through a
15 Commissioner-approved independent certified accounting firm or compliance auditing firm
16 (Auditor) if the Commissioner's testing reveals more than a 10 percent error rate.

17 B. In the event a Re-Audit is required, GSF, by and through the Auditor, shall submit to
18 the Commissioner the results of the Re-Audit (Re-Audit Report) within 90 calendar days of the date
19 GSF is notified in writing by the Commissioner that a Re-Audit is required. The Re-Audit Report
20 shall include the information specified herein.

21 6. Scope of Audit Reports: Any audit reports shall include, unless otherwise specified, the total
22 number of loans originated and/or serviced by GSF in California, and a summary of the review of
23 GSF's Fair Lending Disclosures provided to all California borrowers pursuant to California Code of
24 Regulations, title 21, section 7114. The audit report(s) shall identify each and every California loan
25 wherein the required disclosures were not given, or where incorrect or incomplete information was
26 provided to the borrower(s).

27 7. Penalties: GSF shall pay penalties in the amount of \$20,000.00 for the violations of the
28 CRMLA enumerated in Recital E above. The penalties shall be paid within 30 calendar days of the

1 Effective Date of this Consent Order.

2 A. GSF shall pay a penalty of \$200.00 per violation for each violation found through the
3 Self- Audit. Such penalties shall be paid concurrently with the filing of the Self-Audit Report.

4 B. GSF further agrees that it shall pay an administrative penalty to the Commissioner,
5 concurrently with submission of the Re-Audit Report, of \$1,000.00 for each violation discovered
6 during the Re-Audit that was not previously reported in the Self-Audit Report.

7 C. All penalties shall be made payable in the form of (i) a cashier’s check mailed to the
8 attention of:

9 Accounting-Litigation
10 Department of Business Oversight
11 1515 K Street, Suite 200
12 Sacramento, California 95814

12 or (ii) Automated Clearing House deposit to the Department of Business Oversight:

13 Account Owner: Department of Business Oversight
14 Account Name: EFT
15 Account Number: 10440639
16 Routing Number: 021052053

17 Notice of payment shall be made via email to Joanne Ross, Senior Counsel at Department of
18 Business Oversight, joanne.ross@dbo.ca.gov:

19 8. Remedy for Breach: In the event GSF fails to comply with the terms of this Consent Order
20 with regard to any term in this Consent Order, GSF hereby agrees the Commissioner may, in
21 addition to all other available remedies he may invoke under the CRMLA, summarily suspend or
22 revoke the CRMLA license of GSF. GSF hereby stipulates to the finality of any such CRMLA
23 license suspension or revocation that the Commissioner may order. GSF hereby waives any notice
24 and hearing rights to contest the immediate license suspension or revocation order that may be
25 issued after such breach, which may be afforded under the CRMLA, the California Administrative
26 Procedure Act, the California Code of Civil Procedure, or any other law.

27 9. Waiver of Hearing Rights: GSF acknowledges that the Commissioner is ready, willing, and
28 able to proceed with the filing of an administrative enforcement action on the charges contained in
this Consent Order. GSF hereby waives the right to any hearings, and to any reconsideration, appeal,

1 or other right to review which may be afforded pursuant to the CRMLA, the California
2 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law.
3 GSF further expressly waives any requirement for the filing of an Accusation pursuant to
4 Government Code section 11415.60, subdivision (b). By waiving such rights, GSF consents to this
5 Consent Order, Desist and Refrain Order and Order to Discontinue Violations becoming final.

6 10. Information Willfully Withheld: This Consent Order may be revoked and the Commissioner
7 may pursue any and all remedies available under law against GSF if the Commissioner discovers
8 that GSF knowingly or willfully withheld information used for and relied upon in this Consent
9 Order.

10 11. Future Actions by the Commissioner: The Commissioner reserves the right to bring any
11 future actions against GSF, or any of its partners, owners, officers, shareholders, directors, affiliates,
12 employees or successors for any and all unknown violations of the CRMLA. This Consent Order
13 shall not serve to exculpate GSF or any of its members, officers, directors, affiliates, shareholders,
14 employees, or successors from liability for its violations of the CRMLA.

15 12. Assisting Other Agencies: Nothing in this Consent Order limits the Commissioner's ability
16 to assist any other government agency (city, county, state, or federal) with any prosecution,
17 administrative, civil or criminal brought by that agency against GSF or any other person based upon
18 any of the activities alleged in this matter or otherwise.

19 13. Independent Legal Advice: Each of the parties represents, warrants, and agrees that it has
20 received or been advised to seek independent legal advice from its attorneys with respect to the
21 advisability of executing this Consent Order.

22 14. Headings: The headings to the paragraphs of this Consent Order are inserted for
23 convenience only and will not be deemed a part hereof or affect the construction or interpretation of
24 the provisions hereof.

25 15. Binding: This Consent Order is binding on all heirs, assigns, and/or successors in interest.

26 16. Reliance: Each of the parties represents, warrants, and agrees that in executing this Consent
27 Order, it has relied solely on the statements set forth herein and the advice of its own counsel. Each
28 of the parties further represents, warrants, and agrees that in executing this Consent Order, it has

1 placed no reliance on any statement, representation, or promise of any other party, or any other
2 person or entity not expressly set forth herein, or upon the failure of any party or any other person or
3 entity to make any statement, representation or disclosure of anything whatsoever. The parties have
4 included this clause: (1) to preclude any claim that any party was in any way fraudulently induced
5 to execute this Consent Order; and (2) to preclude the introduction of parol evidence to vary,
6 interpret, supplement, or contradict the terms of this Consent Order.

7 17. Waiver, Amendments, and Modifications: No waiver, amendment, or modification of this
8 Consent Order will be valid or binding unless it is in writing and signed by each of the parties. The
9 waiver of any provision of this Consent Order will not be deemed a waiver of any other provision.
10 No waiver by either party of any breach of, or of compliance with, any condition or provision of this
11 Consent Order by the other party will be considered a waiver of any other condition or provision or
12 of the same condition or provision at another time.

13 18. No Presumption From Drafting: In that the parties have had the opportunity to draft, review
14 and edit the language of this Consent Order, no presumption for or against any party arising out of
15 drafting all or any part of this Consent Order will be applied in any action relating to, connected to,
16 or involving this Consent Order. Accordingly, the parties waive the benefit of Civil Code section
17 1654 and any successor or amended statute, providing that in cases of uncertainty, language of a
18 contract should be interpreted most strongly against the party who caused the uncertainty to exist.

19 19. Full Integration: This Consent Order is the final written expression and the complete and
20 exclusive statement of all the agreements, conditions, promises, representations, and covenant
21 between the parties with respect to the subject matter hereof, and supersedes all prior or
22 contemporaneous agreements, negotiations, representations, understandings, and discussions
23 between and among the parties, their respective representatives, and any other person or entity, with
24 respect to the subject matter covered hereby.

25 20. Governing Law: This Consent Order will be governed by and construed in accordance with
26 California law. Each of the parties hereto consents to the jurisdiction of such court, and hereby
27 irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to
28 the maintenance of such action or proceeding in such court.

1 21. Counterparts: This Consent Order may be executed in one or more separate counterparts,
2 each of which when so executed, shall be deemed an original. Such counterparts shall together
3 constitute a single document.

4 22. Effect Upon Future Proceedings: If GSF applies for any license, permit or qualification under
5 the Commissioner's current or future jurisdiction, or are the subject of any future action by the
6 Commissioner to enforce this Consent Order, then the subject matter hereof shall be admitted for the
7 purpose of such application(s) or enforcement proceedings(s).

8 23. Voluntary Agreement: GSF enters into this Consent Order voluntarily and without coercion
9 and acknowledges that no promises, threats or assurances have been made by the Commissioner or
10 any officer, or agent thereof, about this Consent Order. The parties each represent and acknowledge
11 that he, she or it is executing this Consent Order completely voluntarily and without any duress or
12 undue influence of any kind from any source.

13 24. Notice: Any notice required under this Consent Order be provided to each party at the
14 following addresses:

15 To GSF Mortgage Corporation:

16 Deborah Beier, Chief Operating Officer
17 15430 W. Capitol Drive
18 Brookfield, Wisconsin 53005

19 To the Commissioner:

20 Joanne Ross, Senior Counsel
21 Department of Business Oversight
22 Enforcement Division
23 1515 K Street, Suite 200
24 Sacramento, California 95814

25 25. Signatures: A fax or electronic mail signature shall be deemed the same as an original
26 signature.

27 26. Public Record: GSF hereby acknowledges that this Consent Order is and will be a matter of
28 public record.

29 27. Effective Date: This Consent Order shall become final and effective when signed by all
30 parties and delivered by the Commissioner's agent via email to GSF's Chief Operating Officer,

1 Deborah Beier, at DBeier@gogsf.com.

2 28. Authority to Sign: Each signatory hereto covenants that he/she possesses all necessary
3 capacity and authority to sign and enter into this Consent Order and undertake the obligations set
4 forth herein.

5 Dated: April 16, 2020

MANUEL P. ALVAREZ
Commissioner of Business Oversight

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By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

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11 Dated: April 15, 2020

By _____
Deborah Beier, Chief Operating Officer
GSF MORTGAGE CORPORATION

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