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8
9 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
10 OF THE STATE OF CALIFORNIA

11 In the Matter of:)	NMLS ID: 1633883
)	
12 THE COMMISSIONER OF FINANCIAL)	
13 PROTECTION AND INNOVATION,)	ORDER DENYING MORTGAGE LOAN
)	ORIGINATOR APPLICATION
14 Complainant,)	
15 v.)	
)	
16 LULU BARDONADO ALFORQUE,)	
)	
17 Respondent.)	
)	

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20 The Commissioner of Financial Protection and Innovation (Commissioner) finds that:

21 1. The Commissioner has jurisdiction over the licensing and regulation of persons
22 engaged in the business of making or brokering or servicing residential mortgage loans, including
23 mortgage loan originators, under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.)
24 and the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et seq.).

25 2. On or around February 26, 2020, Alforque filed an application for an MLO license
26 with the Commissioner by submitting a Form MU4 (Application) through the Nationwide Mortgage
27 Licensing System (NMLS) under Financial Code section 50140.
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1 3. A review of Alforque’s application disclosed that on or about April 21, 2016, the
2 California Department of Real Estate (formerly Bureau of Real Estate) (DRE) issued an Order (DRE
3 Order) revoking Alforque’s real estate broker licenses for negligent misrepresentation, fraud, and
4 breach of fiduciary duties, in violation of the California Business and Professions Code, (Code), and
5 California Code of Regulations, title 10 (Regulations).

6 4. The DRE’s Order established that (i) Alforque knowingly and intentionally made
7 substantial misrepresentations in inducing a lender to make a HELOC to Borrowers, in violation of
8 Professions Code section 10176, subdivision (a). (ii) Alforque engaged in conduct that "constitutes
9 fraud or dishonest dealing," in violation of Business and Professions Code section 10176,
10 subdivision (i); (iii) Alforque demonstrated negligence or incompetence in performing an act for
11 which he or she is required to hold a license under Business and Professions Code section 10176,
12 subdivision (g); and (iv) Alforque’s failure to recognize that her misconduct violated the Real Estate
13 Law constitutes negligence and incompetence.

14 5. The DRE’s Order described Alforque’s conduct as constituting fraud or dishonest
15 dealing, noting that Alforque “did not accept any responsibility or show any remorse for her
16 wrongdoing...., it would be contrary to the public interest, safety and welfare to allow respondent to
17 retain her real estate broker license.”

18 6. Alforque truthfully answered “Yes” to Regulatory Action Questions A (1), and A (3)
19 of the MU4, which asked Alforque if she had ever filed a personal bankruptcy petition or been the
20 subject of an involuntary bankruptcy petition within the past 10 years or been the subject of a
21 foreclosure action within the past 10 years.

22 7. Alforque truthfully answered “Yes” to the Regulatory Action Questions K (1), and K
23 (5), which asked Alforque if any State or federal regulatory agency or foreign financial regulatory
24 authority or self-regulatory organization (SRO) ever found her to have made a false statement or
25 omission or been dishonest, unfair, or unethical or revoked his registration or license.

26 8. Alforque did not upload an affirmative explanation or the DRE Accusation and on or
27 about March 26, 2020, a license item was sent requesting additional information from Alforque
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1 regarding the DRE Order. On April 1, 2020 Alforque complied with the license item and uploaded
2 the DRE's Order.

3 9. Section 22109.1 of the CFL and section 50141 of the CRMLA provide in relevant
4 part that the Commissioner shall deny an application for a mortgage loan originator license unless
5 the commissioner makes, at a minimum that the applicant has demonstrated such financial
6 responsibility, character, and general fitness as to command the confidence of the community and to
7 warrant a determination that the mortgage loan originator will operate honestly, fairly, and
8 efficiently within the purposes of this division.

9 10. Section 50513, subdivision (a)(2) of the CFL further provides that Commissioner may
10 deny, suspend, revoke, condition, or decline to renew a mortgage loan originator license if an
11 applicant or licensee fails at any time to meet the requirements of Section 50141 or 50144, or
12 withholds information or makes a material misstatement in an application for a license or license
13 renewal.

14 11. Based on the DRE's Order and the facts upon which it is based, the Commissioner
15 determined that Alforque has failed to demonstrate such financial responsibility, character, and
16 general fitness as to command the confidence of the community and to warrant a determination that
17 the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of the
18 CFL, a requirement for licensure under Financial Code section 22109.1, subdivision (a)(3).

19 12. On September 2, 2020, the Commissioner issued Alforque his notice of intention to
20 deny Alforque's MLO license application, statement of issues, and other supporting pleadings
21 (collectively, Statement of Issues).

22 13. Beginning September 8, 2020 through September 16, 2020, the Commissioner's
23 process servers made several attempts to serve Alforque with the Statement of Issues at her address
24 of record on file with the Commissioner by personal delivery but were unable to effect service. The
25 Commissioner has received neither a notice of defense nor change of address from Alforque.

26 14. For the reasons set forth above, the Commissioner finds that Alforque does not meet
27 the minimum requirements for the issuance of an MLO license as provided by Financial Code
28 sections 22109.1, subdivision (a)(2)(A) and 50141, subdivision (a)(2)(A), because the DRE's Order

1 revoking Alforque’s BRE license established that Alforque knowingly and intentionally made
2 substantial misrepresentations in inducing a lender to make a HELOC to Borrowers in violation of
3 Business and Professions Code section 10176, subdivision (a); (ii) Alforque engaged in conduct that
4 "constitutes fraud or dishonest dealing," in violation of Business and Professions Code section
5 10176, subdivision (i); (iii) Alforque demonstrated negligence or incompetence in performing an act
6 for which she is required to hold a license, in violation of Business and Professions Code section
7 10177, subdivision (g); and (iv) Alforque’s failure to recognize that her misconduct violated the Real
8 Estate Law constitutes negligence and incompetence, in violation of Business and Professions Code
9 section 10177, subdivision (j).

10 15. Further, the DRE’s Order described Alforque’s conduct as constituting fraud or
11 dishonest dealing, noting that Alforque “did not accept any responsibility or show any remorse for
12 her wrongdoing . . . , it would be contrary to the public interest, safety and welfare to allow
13 respondent to retain her real estate broker license.”

14 16. Under Financial Code sections 50141, 50513, and 22109.1, the Commissioner is
15 required to deny the issuance of a mortgage loan originator license to Alforque.

16 17. Based on the foregoing facts, Alforque has not shown that she has such financial
17 responsibility, character, and general fitness as to command the confidence of the community and to
18 operate honestly, fairly, and efficiently as an MLO within the purposes of the CFL, a requirement for
19 licensure under Financial Code section 22109.1, subdivision (a)(3).

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18. NOW GOOD CAUSE APPEARING THEREFORE, IT IS HEREBY ORDERED that the application for an MLO license of Lulu Bardonado Alforque is denied. This order is effective immediately.

Dated: January 15, 2021
Los Angeles, California

MANUEL P. ALVAREZ
Commissioner of Financial Protection and Innovation

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

