

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN ROONEY
Assistant Chief Counsel
3 BLAINE A. NOBLETT (State Bar No. 235612)
4 Senior Counsel
5 Department of Financial Protection and Innovation
6 320 W. 4th Street, Suite 750
7 Los Angeles, California 90013-2344
8 Telephone: (213) 576-1396
9 Facsimile: (213) 576-7181
10 Email: blaine.noblett@dfpi.ca.gov
11 Attorneys for Complainant

12 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
13 OF THE STATE OF CALIFORNIA

14 In the Matter of:) NMLS LICENSE NO.: 284404
15)
16 THE COMMISSIONER OF FINANCIAL) ORDER DENYING MORTGAGE LOAN
17 PROTECTION AND INNOVATION,) ORIGINATOR APPLICATION
18)
19 Complainant,)
20)
21 v.)
22)
23 BYUNG HYUN YE,)
24)
25 Respondent.)
26)
27)
28)

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

- 30 1. The Commissioner has jurisdiction over the licensing and regulation of persons
31 engaged in the business of making or brokering or servicing residential mortgage loans, including
32 mortgage loan originators, under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.)
33 and the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et seq.).
34 2. Respondent Ye applied for a mortgage loan originator (MLO) license with the
35 Commissioner.

1 3. On September 25, 1992, in the State of California County of Orange Superior Court,
2 in case number C-96050, Ye pleaded guilty to and was convicted of first degree residential burglary
3 in violation of Penal Code sections 459 and 460, subdivision (a) (the burglary conviction).

4 4. After Ye violated the terms of his probation in connection with the burglary
5 conviction, the court sentenced Ye to serve six years in state prison on August 6, 1996.

6 5. Under California law, a felony is a crime that is punishable by death, by imprisonment
7 in the state prison, or county jail for sixteen months or more. (Pen. Code, § 17, subd. (a).)

8 6. Ye pleaded guilty to and was convicted of burglary in the first degree, and the
9 burglary conviction is a felony under California law.

10 7. The California Supreme Court holds that residential burglary is a crime of dishonesty.
11 (*People v. Collins* (1986) 42 Cal.3d 378, 395 [“An intent to commit larceny [under Penal Code
12 section 459] evidences a willingness to act dishonestly.”])

13 8. Ye’s burglary conviction is a felony that involved an act of dishonesty.

14 9. In order to become licensed by the Commissioner as an MLO, an individual must
15 submit a uniform application form (known as the MU4) through the Nationwide Mortgage Licensing
16 System and Registry (the NMLS).

17 10. On March 31, 2010, Ye first applied for an MLO license with the Commissioner by
18 filing a Form MU4 through the NMLS. Ye’s application was sponsored by Cash Call Inc., a
19 residential mortgage lender licensed under the CFL.

20 11. Ye failed to truthfully answer Question 9(D)(1) of the MU4, which asked Ye if he had
21 ever “been convicted of or pled nolo contendere . . . in a domestic, foreign, or military court to any
22 felony?” Ye responded, “No.” But a review of Ye’s criminal background disclosed the burglary
23 conviction and Ye should have answered “Yes” in response to Question 9(D)(1).

24 12. In light of the burglary conviction and Ye’s failure to disclose the burglary conviction
25 in his 2010 application, on April 16, 2012, the Commissioner denied Ye’s 2010 application by
26 adopted decision (OAH Case number 20110905855).

27 13. On May 15, 2012, the state of Washington denied Ye’s MLO license application by
28 final decision and order.

1 14. On July 9, 2020, Ye again applied for an MLO license by filing a Form MU4 through
2 the NMLS. Ye’s 2020 application lacks a sponsor licensed under the CFL or CRMLA.

3 15. Ye disclosed the burglary conviction in his 2020 application.

4 16. The Commissioner must deny an MLO license if the licensee fails to meet the
5 minimum criteria for licensure, which includes a requirement that the applicant has not been
6 convicted of felony involving an act of dishonesty at any time preceding the date of application. (Fin.
7 Code, § 22109.1, subd. (a)(2)(A) and Fin. Code, § 50141, subd. (a)(2)(A).)

8 17. As described in paragraph 3, above, on September 25, 1992, Ye pleaded guilty to and
9 was convicted of first-degree felony burglary in California state court. The burglary conviction is a
10 felony involving an act of dishonesty.

11 18. Thus, Ye does not meet the minimum criteria for licensure under the CFL or CRMLA,
12 and his application must be denied.

13 19. On December 10, 2020, the Commissioner issued Ye his notice of intention to deny
14 Ye’s MLO license application, statement of issues, and other supporting pleadings (collectively,
15 Statement of Issues).

16 20. On December 13, the Commissioner personally served Ye with the Statement of
17 Issues at his address of record on file with the Commissioner.

18 21. Ye did not file his notice of defense with the Commissioner within the time required,
19 and the time to file his hearing request concerning the Statement of Issues has now expired.

20 22. For the reasons set forth above, the Commissioner finds that Ye does not meet the
21 minimum requirements for the issuance of an MLO license as provided by Financial Code sections
22 22109.1, subdivision (a)(2)(A) and 50141, subdivision (a)(2)(A), when Ye pleaded guilty to and was
23 convicted of a felony involving an act of dishonesty. Under Financial Code sections 22172,
24 subdivision (a)(2) and 50513, subdivision (a)(2), the Commissioner shall deny Ye’s MLO application
25 pursuant to Financial Code sections 22109, subdivision (a)(2)(A) and 50141, subdivision (a)(2)(A).

26 ///

27 ///

28 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

NOW GOOD CAUSE APPEARING THEREFORE, IT IS HEREBY ORDERED that the application for an MLO license of Byung Hyun Ye is denied. This order is effective immediately.

MANUEL P. ALVAREZ
Commissioner of Financial Protection and
Innovation

Dated: January 4, 2021
Los Angeles, California

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

