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

12 In the Matter of: ) NMLS LICENSE NO.: 1421356  
)  
13 THE COMMISSIONER OF FINANCIAL )  
PROTECTION AND INNOVATION, ) ACCUSATION  
14 )  
15 Complainant, )  
)  
16 v. )  
)  
17 JOSEPH A. BORUNDA, )  
)  
18 Respondent. )  
19 )  
20 )

21 Manuel P. Alvarez, the Commissioner of Financial Protection and Innovation  
22 (Commissioner), is informed and believes, and based on such information and belief, alleges and  
23 charges Respondent Joseph A. Borunda (Borunda) as follows:

24 **I.**  
25 **Jurisdiction**

26 1. The Commissioner has jurisdiction over the licensing and regulation of persons  
27 engaged in the business of making, servicing, or brokering residential mortgage loans, including  
28 mortgage loan originators, under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.),

1 and the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et seq.). The  
2 Commissioner is authorized to administer the CFL and CRMLA and the rules and regulations  
3 promulgated in title 10 of the California Code of Regulations (CCR).

4 2. Borunda applied for and received a mortgage loan originator (MLO) license from the  
5 Commissioner on June 7, 2017.

6 3. Borunda was employed and sponsored by Greenkey Financial, Inc., a CFL-licensed  
7 lender. However, Borunda’s sponsorship was removed as of December 9, 2020.

8 4. In 2020, Borunda failed to renew his MLO license issued by the Commissioner and  
9 the license lapsed as of January 1, 2021. Borunda had until March 1 to renew his license before his  
10 licensing rights permanently expired. (See CCR, §§ 1422.6.3, subd. (a), 1422.11, 1950.122.5.3, subd.  
11 (a), and 1950.122.5.4 .)

12 5. The Commissioner has continuous authority to exercise the powers set forth in the  
13 CFL and CRMLA over persons subject to the CFL and CRMLA, including MLOs, whether or not  
14 any license has been issued, or if issued, has been surrendered, suspended, or revoked. (Fin. Code, §§  
15 22705 and 50328.)

16 6. After having granted Borunda the MLO license, the Commissioner subsequently  
17 learned that Borunda had defrauded a client out of \$51,969.15, after working with her as a loan  
18 officer on a cash-out refinance transaction of her home. A further review reveals that Borunda does  
19 not meet the financial responsibility, character, and general fitness requirements of a MLO licensed  
20 under the CFL and CRMLA.

21 7. Under the provisions of Financial Code sections 22109.1, 22172, 50141, 50513, and  
22 CCR sections 1422.6.2 and 1950.122.5.2, the Commissioner brings this action to revoke Borunda’s  
23 MLO license because Borunda has not demonstrated such financial responsibility, character, and  
24 general fitness as to command the confidence of the community and to warrant a determination that  
25 he will operate honestly, fairly, and efficiently as a MLO when Borunda has defrauded a client out of  
26 money.

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3 **II.**

4 **Statement of Facts**

5 8. In or about July of 2020, Borunda worked on a cash-out refinancing loan transaction  
6 for a client while employed as a loan officer at Panorama Mortgage Group, LLC, dba Alterra Home  
7 Loans.

8 9. During the loan process, the client informed Borunda that she was interested in selling  
9 her home and buying another house.

10 10. The client's refinance application was approved by Alterra Home Loans, and Alterra  
11 Home Loans deposited an equity amount of \$51,969.15 into the client's bank account.

12 11. Borunda had previously misinformed the client that the cash-out payment needed to be  
13 in the form of a cashier's check in order for her to get another home loan.

14 12. On or about August 17, 2020, the client contacted Borunda and told him that the  
15 equity was directly deposited into her account, and not in the form of a cashier's check.

16 13. Borunda instructed the client to make out a cashier's check for the exact amount of the  
17 funds in his name, so he could have Alterra Home Loans reassign or switch the equity amount, and  
18 send her a cashier's check.

19 14. Borunda's employment at Panorama Mortgage Group, LLC, dba Alterra Home Loans  
20 had been terminated as of August 7, 2020. Borunda had no authority to have Alterra Home Loans  
21 reassign or switch the equity amount.

22 15. On or about August 20, 2020, the client complied with Borunda's unusual request, and  
23 gave Borunda a cashier's check in the amount \$51,969.15. As per Borunda's instructions, the  
24 cashier's check was made out to Borunda.

25 16. On or about August 21, 2020, Borunda cashed the cashier's check at a Shop & Quick.  
26 Thereafter, the client made multiple inquiries as to her money.

27 17. On or about September 15, 2020, Borunda informed the client that he was no longer  
28 employed at Panorama Mortgage Group, LLC, dba Alterra Home Loans, and falsely claimed that  
Alterra Home Loans was holding her money.

18. Alterra Home Loans was not holding the client's money, and subsequently became

1 aware of Borunda’s false claims and unusual request.

2 19. As described in paragraphs 8 through 18, above, Borunda obtained money from a  
3 client by falsely representing that the cash-out equity was required to be in the form of a cashier’s  
4 check, and falsely representing that Alterra Home Loans was holding the client’s money.

5 **III.**

6 **Financial Responsibility, Character, and General Fitness**

7 20. The Commissioner may revoke a MLO license if a licensee fails at any time to  
8 demonstrate such financial responsibility, character, and general fitness as to command the  
9 confidence of the community and to warrant a determination that the MLO will operate honestly,  
10 fairly, and efficiently. (Fin. Code, §§ 22172, subd. (a)(2), 50513, subd. (a)(2), and Fin. Code, §§  
11 22109.1, subd. (a)(3), and 50141, subd. (a)(3); see also CCR section 1422.6.2, subd. (c)(1)-(2) and  
12 CCR section 1950.122.5.2, subd. (c)(1)-(2).)

13 21. As described in paragraphs 8 through 18, above, Borunda has a personal history of  
14 fraud, misrepresentation, or dishonest dealing, including obtaining money from a consumer by  
15 making falsely representations.

16 22. Thus, Borunda fails to demonstrate such financial responsibility, character, and  
17 general fitness as to command the confidence of the community and to warrant a determination that  
18 he will operate honestly, fairly, and efficiently as an MLO. Under Financial Code sections 22172,  
19 subdivision (a)(2), 50513, subdivision (a)(2), 22109.1, subdivision (a)(3), 50141, subdivision (a)(3),  
20 and CCR sections 1422.6.2, subdivisions (c)(1) and (2), and 1950.122.5.2, subdivisions (c)(1) and  
21 (2), Borunda’s MLO license must be revoked.

22 **IV.**

23 **Applicable Statutes**

24 23. Financial Code section 22109.1 provides in pertinent part:

25 (a) The commissioner shall deny an application for a mortgage loan  
26 originator license unless the commissioner makes, at a minimum, the  
27 following findings:

27 . . .

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1 (3) The applicant has demonstrated such financial responsibility,  
2 character, and general fitness as to command the confidence of the  
3 community and to warrant a determination that the mortgage loan  
4 originator will operate honestly, fairly, and efficiently within the  
5 purposes of this division[.]

6 24. Financial Code section 22172 provides in pertinent part:

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

8 (2) Deny, suspend, revoke, condition, or decline to renew a mortgage  
9 loan originator license if an applicant or licensee fails at any time to  
10 meet the requirements of Section 22109.1 or 22109.4, or withholds  
11 information or makes a material misstatement in an application for a  
12 license or license renewal.

13 25. Financial Code section 50141 provides in pertinent part:

14 (a) The commissioner shall deny an application for a mortgage loan  
15 originator license unless the commissioner makes, at a minimum, the  
16 following findings:

17 . . .

18 (3) The applicant has demonstrated such financial responsibility,  
19 character, and general fitness as to command the confidence of the  
20 community and to warrant a determination that the mortgage loan  
21 originator will operate honestly, fairly, and efficiently within the  
22 purposes of this division[.]

23 26. Financial Code section 50513 provides in pertinent part:

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

25 . . .

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

CCR section 1422.6.2 provides in pertinent part:

(a) The Commissioner's finding required by Section 22109.1[(a)(3)] of  
the [CFL] relates to any matter, personal or professional, that may  
impact upon an applicant's propensity to operate honestly, fairly, and  
efficiently when engaging in the role of a mortgage loan originator.

(c) An applicant may be precluded from obtaining a mortgage loan  
originator license where his or her personal history includes:

1 (1) Any liens or judgments for fraud, misrepresentation, dishonest  
2 dealing, and/or mishandling of trust funds, or

3 (2) Other liens, judgments, or financial or professional conditions that  
4 indicate a pattern of dishonesty on the part of the applicant.

5 28. CCR section 1950.122.5.2 provides in pertinent part:

6 (a) The Commissioner’s finding required by Section 50141 [(a)(3)] of  
7 the [CRMLA] relates to any matter, personal or professional, that may  
8 impact upon an applicant’s propensity to operate honestly, fairly, and  
9 efficiently when engaging in the role of a mortgage loan originator.

10 (c) An applicant may be precluded from obtaining a mortgage loan  
11 originator license where his or her personal history includes:

12 (1) Any liens or judgments for fraud, misrepresentation, dishonest  
13 dealing, and/or mishandling of trust funds, or

14 (2) Other liens, judgments, or financial or professional conditions that  
15 indicate a pattern of dishonesty on the part of the applicant.

16 **V.**  
17 **Prayer**

18 For the reasons set forth above and under Financial Code sections 22172 and 50513, the  
19 Commissioner finds that Joseph A. Borunda has a personal history of fraud, misrepresentation, or  
20 dishonest dealing, and has not demonstrated the financial responsibility, character, and general fitness  
21 required under Financial Code sections 22109.1, subdivision (a)(3), 50141, subdivision (a)(3), and  
22 CCR sections 1422.6.2, subdivisions (c)(1) and (2), and 1950.122.5.2, subdivisions (c)(1) and (2).

23 Accordingly, the Commissioner has grounds to revoke Joseph A. Borunda’s MLO license.

24 WHEREFORE IT IS PRAYED that Joseph A. Borunda’s MLO license be revoked.

25 Dated: April 7, 2021  
26 San Diego, California

27 MANUEL P. ALVAREZ  
28 Commissioner of Financial Protection &  
Innovation

By: \_\_\_\_\_  
AFSANEH EGHBALDARI  
Senior Counsel  
Enforcement Division