



STATE OF CALIFORNIA

Department of Financial Protection and Innovation

GOVERNOR **Gavin Newsom** • ACTING COMMISSIONER **CHRISTOPHER S. SHULTZ**

For Immediate Release

August 2, 2021

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DFPI Report Shows Mortgage Lending Increases, Foreclosure Declines During COVID-19 Pandemic

SACRAMENTO – A new report shows nonbank residential mortgage loans doubled from 2019 to 2020 as more Californians refinanced or obtained new loans in response to lower interest rates despite the economic downturn that resulted from the COVID-19 pandemic. Department of Financial Protection and Innovation (DFPI) licensees also reported a more than 68 percent decrease in foreclosures in response to COVID-19 moratoriums intended to protect consumers and logged an almost 19 percent decline in complaints.

The findings are available in the DFPI [2020 Annual Report of Activity Under the California Residential Mortgage Lending Act \(CRMLA\)](#), which provides a snapshot of residential mortgage lending, rates, consumer complaints, foreclosures, and other data elements for calendar year 2020.

“This report shows two-worlds: it shows that some Californians took advantage of lower mortgage interest rates to buy homes or lock in lower monthly payments,” said Acting Commissioner Christopher S. Shultz. “It also shows that foreclosure moratoriums helped protect the most vulnerable borrowers from foreclosure. As the pandemic financial protections end, DFPI is closely monitoring foreclosure activity to make sure lenders and servicers follow the law and allow delinquent borrowers to restructure their loans and access mortgage assistance funds.”

Key findings include:

- The number of mortgage loans originated grew to 1,106,405 from 551,717, an increase of 100.5 percent.
- The aggregate principal amount of loans originated in 2020 totaled \$445 billion, up 104.4 percent from 2019.
- The number of loans brokered increased 52.7 percent and the aggregate principal amount of brokered loans in 2020 totaled \$8.3 billion, an increase of 18.9 percent from 2019.

- The aggregate average amount of loans serviced by licensees each month grew from \$1 trillion in 2019 to \$1.14 trillion in 2020, a 12.4 percent increase.
- In 2020 licensees reported 13,395 consumer complaints concerning non-traditional mortgage loans, an 18.4 percent decrease from 2019.
- Licensees reported completing 2,389 foreclosures in 2020, down from 7,553 in 2019, a 68.4 percent decrease.

In this report, the DFPI compiled data submitted by licensed non-bank mortgage lenders under the California Residential Mortgage Lending Act (CRMLA). This report contains data provided by licensees for the calendar year ending Dec. 31, 2020. This report does not cover mortgages originated by banks, credit unions, finance lenders, or real estate brokers or corporations with mortgage originator license endorsements.

As of Dec. 31, 2020, the DFPI licensed 406 mortgage lenders and servicers with 6,202 branches. Of the 406 licensees, 377 filed their required annual reports.

In addition to residential mortgage lenders, the DFPI licenses and regulates state-chartered banks and credit unions, commodities and investment advisers, money transmitters, mortgage servicers, the offer and sale of securities and franchises, broker-dealers, nonbank installment lenders, payday lenders, Property Assessed Clean Energy (PACE) program administrators, student-lending servicers, escrow companies, debt collectors, rent-to-own contractors, credit repair companies, consumer credit reporting agencies, debt-relief companies, and more.

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