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Commissioner  
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Deputy Commissioner  
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5 Department of Financial Protection and Innovation  
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9 Attorneys for Complainant

10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
11 OF THE STATE OF CALIFORNIA  
12

13 In the Matter of: ) NMLS NO.: 1470760  
14 )  
15 THE COMMISSIONER OF FINANCIAL )  
PROTECTION AND INNOVATION, )  
16 ) AMENDED ACCUSATION  
17 Complainant, )  
18 v. )  
19 )  
20 YASIN AHMAD AFZAL, )  
21 Respondent. )  
22 )  
23 )

24  
25 Clothilde V. Hewlett, the Commissioner of Financial Protection and Innovation  
26 (Commissioner), is informed and believes, and based on such information and belief, alleges and  
27 charges Respondent Yasin Ahmad Afzal (Afzal) as follows:

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3 **I.**

4 **Jurisdiction**

5 1. The Commissioner has jurisdiction over the licensing and regulation of persons  
6 engaged in the business of making or servicing residential mortgage loans, including mortgage loan  
7 originators (MLO or MLOs), under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.)  
8 and the California Residential Mortgage Lending Act (CRMLA) (Fin. Code section 50000 et seq.).

9 2. Afzal is an MLO licensed by the Commissioner (license number CA-DBO1470760)  
10 on February 12, 2018. Afzal’s license status is presently “Terminated – Failed to Renew.”

11 3. The Commissioner brings this action to deny the renewal of Afzal’s MLO’s license  
12 under Financial Code sections 22109.1 and 50141 because Afzal has not demonstrated such financial  
13 responsibility, character, and general fitness as to command the confidence of the community and to  
14 warrant a determination that he will operate honestly, fairly, and efficiently as a mortgage loan  
15 originator.

16 **II.**

17 **Statement of Facts**

18 4. On January 29, 2018, Afzal submitted through the Nationwide Multistate Licensing  
19 System and Registry (NMLS)<sup>1</sup> an MLO license application to the Department of Financial Protection  
20 and Innovation (Department). Afzal was approved to originate loans in California on February 12,  
21 2018. At the time, Afzal was sponsored by loanDepot.com, LLC, licensed by the Commissioner as a  
22 lender and servicer under the CFL (license number 603K703) and the CRMLA (license number  
23 4131040). Afzal’s license status is presently “Terminated – Failed to Renew.”

24 5. On November 18, 2020, the State Regulatory Registry LLC (SRR)<sup>2</sup> notified Afzal, in  
25 writing, that it has initiated an investigation regarding a report that Afzal violated the NMLS Rules of  
26 Conduct for Education Students (ROC). The letter stated that an Investigative Review Committee

27 <sup>1</sup> NMLS is a web-based platform for regulatory agencies to administer initial license applications and ongoing compliance  
28 requirements. NMLS is used by participating agencies to process the applications of companies and individuals looking to  
apply, renew, surrender, or amend licenses for various industries. NMLS is used by Mortgage Lenders, Mortgage Loan  
Originators, Money Transmitters, Money Services including check cashing and currency exchange businesses, and more.

<sup>2</sup> SRR is a nonprofit subsidiary of the Conference of State Bank Supervisors that operates the NMLS on behalf of state  
financial services regulatory agencies.

1 (IRC) has conducted an investigation into suspicious activities associated with the authentication  
2 protocols embedded within the NMLS approved online courses. The activity suggests online  
3 continuing education courses may have been completed by persons other than Afzal or that Afzal  
4 completed courses on behalf of another person. This activity would be a violation of the NMLS ROC  
5 to which Afzal agreed to during his education course. The letter also included a description of Afzal’s  
6 reported misconduct, the SRR’s investigation into the incident, and Afzal’s rights during the  
7 investigation.

8         6.         The IRC made a preliminary determination that Afzal violated the NMLS ROC. As a  
9 result, the IRC notified all relevant state mortgage regulatory agencies of Afzal’s violations. It also  
10 retracted a number of continuing education courses from Afzal’s record in NMLS.

11         7.         On February 10, 2021, SRR notified Afzal, in writing, that it completed its  
12 investigation into Afzal’s reported violations and determined that Afzal violated the following NMLS  
13 ROC:

- 14             •     ROC 4: I will not divulge my login ID or password or other login credential(s) to  
15                     another individual for any online course.
- 16             •     ROC 5: I will not seek or attempt to seek outside assistance to complete the course.
- 17             •     ROC 6: I will not give or attempt to give assistance to any person who is registered to  
18                     take an NMLS approved pre-licensure or continuing education course.
- 19             •     ROC 9: I will not engage in any conduct that is dishonest, fraudulent, or would  
20                     adversely impact the integrity of the course(s) I am completing and the conditions for  
21                     which I am seeking licensure or renewal of licensure.

22         8.         Afzal had the right to appeal the IRC’s determination that he violated the NMLS ROC,  
23 but he did not.

24         9.         On March 10, 2021, Afzal submitted an updated MU4<sup>3</sup>, but he failed to disclose the  
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26 \_\_\_\_\_  
27 <sup>3</sup> An MLO shall file changed information contained in its Form MU4, and any exhibits thereto, through NMLS in  
28 accordance with its procedures for transmission to the Commissioner within twenty (20) days of changes to the  
information as provided in section 1422.6 of subchapter 6 of these rules (California Rules of Regulations, Title 10,  
section 1409.1).

1 SRR’s investigation and its determination that he violated the NMLS ROC discussed in paragraphs 5-  
2 7, above. Afzal did not respond “Yes” to Regulatory Action (K)(2) which ask:

3 (K) Has any State or federal regulatory agency or foreign financial regulatory  
4 authority or self-regulatory organization (SRO) ever:

5 (2) found you to have been involved in a violation of a financial services-related  
6 business regulation(s) or statute(s)?

7 **III.**

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

9 10. Pursuant to Financial Code section 22109.1, subdivision (a)(3), the Commissioner  
10 shall deny an application for an MLO license unless the Commissioner finds that the applicant has  
11 demonstrated such financial responsibility, character, and general fitness as to command the  
12 confidence of the community and to warrant a determination that the MLO will operate honestly,  
13 fairly, and efficiently.

14 11. Under Financial Code section 50513, subdivision (a)(2), the Commissioner may deny,  
15 revoke, or decline to renew an MLO license if a licensee fails at any time to meet the requirement of  
16 section 50144. In accordance with section 50144, a licensee must continue to meet the minimum  
17 standards for license issuance under section 50141. (Fin. Code section 50144(b)(1).) Under section  
18 50141, a licensed MLO must demonstrate such financial responsibility, character, and general fitness  
19 as to command the confidence of the community and to warrant a determination that the MLO will  
20 operate honestly, fairly, and efficiently. (Fin. Code section 50141(a)(3).)

21 12. As described in paragraphs 5 through 11, online CE courses were completed by person  
22 other than Afzal or that Afzal completed CE courses on behalf of another person. Accordingly, the  
23 IRC determined that Afzal violated a number of NMLS ROC.

24 13. Thus, Afzal has not demonstrated such financial responsibility, character, and general  
25 fitness as to command the confidence of the community and to warrant a determination that he will  
26 operate honestly, fairly, and efficiently as an MLO.

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IV.

**Commissioner’s Authority to Deny, Revoke, or Renew**

14. Financial Code section 22109.1, provides in pertinent part:

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

...

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

15. Financial Code section 50513, provides in pertinent part:

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

...

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

16. Financial Code section 50141(a) provides in relevant part:

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

...

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

17. Financial Code section 50144 provides in relevant part:

(a) A mortgage loan originator shall comply with the requirements of this section on or before December 31 of every year.

(b) The minimum standards for a license renewal for mortgage loan originators shall include the following:

(1) The mortgage loan originator continues to meet the minimum standards for license issuance under Section 50141.

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**V.**

**Prayer**

The Commissioner finds that by reason of the foregoing, Afzal has not demonstrated the financial responsibility, character, and general fitness required under Financial Code section 22109.1, subdivision (a)(3) of the CFL and section 50141 of the Financial Code under the CRMLA.

Accordingly, the Commissioner has grounds for denying or declining the renewal of Afzal’s mortgage loan originator license.

WHEREFORE, IT IS PRAYED that Yasin Ahmad Afzal’s mortgage loan originator license application or renewal be denied.

Dated: May 6, 2022

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation

By \_\_\_\_\_  
MARLOU de LUNA  
Senior Counsel  
Enforcement Division