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10 Attorneys for Complainant

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

13 In the Matter of: ) CRMLA LICENSE NO.: 413-0901  
14 )  
15 THE COMMISSIONER OF FINANCIAL ) ACCUSATION  
PROTECTION AND INNOVATION, )  
16 )  
Complainant, )  
17 )  
18 v. )  
19 AMERIFIRST FINANCIAL, INC., )  
20 )  
Respondent. )  
21 )  
22 )

23 Clothilde V. Hewlett, the Commissioner of Financial Protection and Innovation  
24 (Commissioner), is informed and believes, and based upon such information and belief, alleges and  
25 charges Respondent AmeriFirst Financial, Inc. (AmeriFirst) as follows.

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**I.**

**Jurisdiction**

1. The Commissioner brings this action under the provisions of Financial Code sections 50327 and 50513 and the rules and regulations promulgated thereunder.

2. The Commissioner is authorized to administer and enforce the provisions of the California Residential Mortgage Lending Act (Fin. Code, § 50000 et seq.) (CRMLA) and the rules issued under title 10 of the California Code of Regulations (CCR) that regulate the business and activities of residential mortgage lenders and mortgage loan servicers.

**II.**

**Statement of Facts**

3. AmeriFirst is a residential mortgage lender and servicer that is licensed by the Commissioner under the CRMLA. AmeriFirst has its principal place of business located at 1550 E. McKellips Road, Unit 117, Mesa, Arizona. At all relevant times herein, AmeriFirst employed mortgage loan originators and operated branch locations throughout California.

**2020 Regulatory Examination**

4. The Commissioner commenced a regulatory examination of AmeriFirst on September 1, 2020, from a remote office location.

5. The regulatory examination included a review of the company’s activities conducted under its CRMLA lender and servicer licenses from May 1, 2017 through May 31, 2020.

6. The examination disclosed that in two out of the 38 originated loan files that the Commissioner’s staff selected for review, AmeriFirst overcharged borrowers per diem interest in excess of one day prior to the disbursement of loan proceeds in violation of Financial Code section 50204, subdivision (o), which is an exception rate of over five percent.

7. The per diem interest disclosure documents that the borrowers signed were not prepared in accordance with Civil Code section 2948.5, subdivision (b), or were not applicable, and therefore not considered when calculating the per diem interest charges.

8. The following is a summary of the two loan files in which AmeriFirst overcharged borrowers’ per diem interest.

1                   a.       **Loan Number 1711EM221008**

2                   Per the closing disclosure statement, AmeriFirst charged the borrower three days of  
3 interest (from January 29 to February 1) with interest of approximately \$17.57 per day. The first  
4 payment on the note was due March 1, 2018; therefore, interest began accruing beginning on the loan  
5 on February 1. But the loan proceeds were actually disbursed on January 31, per title. AmeriFirst was  
6 only permitted to charge the borrower one day of interest from January 31 to February 1, plus one  
7 additional day of interest per Civil Code section 2948.5, subdivision (a), or \$35.13. AmeriFirst  
8 overcharged the borrower one day of interest or \$17.57. The company refunded the overcharge (plus  
9 10 percent interest per annum) to the borrower on October 29, 2020. The borrower signed the per  
10 diem interest disclosure document on January 23, 2018, but the disclosure was incomplete and not  
11 considered when calculating per diem interest.

12                   b.       **Loan Number 1609EM175687**

13                   Per the closing disclosure statement, AmeriFirst charged the borrowers 14 days of per  
14 diem interest (from August 18 to September 1) at \$51.56 interest per day. The first payment on the  
15 note was due October 1, 2017; therefore, interest began to accrue beginning September 1. But the  
16 loan proceeds were actually disbursed on August 21, per escrow. AmeriFirst was only permitted to  
17 charge the borrowers 11 days of interest from August 21 to September 1, plus one additional day of  
18 interest per Civil Code section 2948.5, subdivision (a), or \$618.75. AmeriFirst overcharged the  
19 borrowers two days of interest or \$103.13. The borrowers signed the per diem interest disclosure  
20 document on August 16, 2017, but the disclosure was incomplete and not considered when  
21 calculating per diem interest. The company disagreed with the Commissioner's finding and has not  
22 issued the borrowers a refund for the per diem interest overcharge identified during the examination.

23 **AmeriFirst's 2020 Self-Audit Report**

24                   9.       Due to the number of per diem interest overcharges found during the 2020 regulatory  
25 examination, the Commissioner directed AmeriFirst to conduct a self-audit review of all loans the  
26 company had originated since the date of the prior examination, March 19, 2017, through to October  
27 14, 2020.

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1           10.     On November 3, 2020, AmeriFirst provided the Commissioner with its self-audit  
2 report, which included a review of 3,776 loans it had originated between January 2017 through  
3 August 2020. Out of the 3,776 loan files AmeriFirst reviewed the company found 257 loans with per  
4 diem interest overcharges, or an average of about 6.8 percent. The company issued refunds to the  
5 affected borrowers in all 257 loan files.

6           11.     On November 16, in order to verify the accuracy of AmeriFirst's November 3 self-  
7 audit report, the Commissioner randomly selected for further review 30 loan files AmeriFirst had  
8 originated during the self-audit period (approximately March 2017 to October 2020).

9           12.     AmeriFirst provided the Commissioner with the requested loan files on November 26.

10          13.     The Commissioner's review identified three loan files in which borrowers were  
11 overcharged per diem interest. A summary of those loan files is provided below.

12          14.     None of the loan files identified below were reported by the company as having had  
13 per diem interest overcharges according to AmeriFirst's November 3 self-audit report. Said another  
14 way, the company's self-audit report failed to identify per diem interest overcharges in the following  
15 three loan files.

16           a.       **Loan Number 2002EM297744**

17           Per the final settlement statement, AmeriFirst charged the borrowers 17 days of  
18 interest (from May 15 to June 1) with interest of approximately \$24.94 per day. The first payment on  
19 the note was due July 1, 2020; therefore, interest began accruing beginning on the loan on June 1. But  
20 the loan proceeds were actually disbursed on May 18, per title. AmeriFirst was only permitted to  
21 charge the borrowers 14 days of interest from May 18 to June 1, plus one additional day of interest  
22 per Civil Code section 2948.5, subdivision (a), or \$374.06. AmeriFirst overcharged the borrowers  
23 two days of interest or \$49.88. The borrowers signed the per diem interest disclosure document on  
24 May 6, 2020, but the disclosure was incomplete and not considered when calculating per diem  
25 interest. AmeriFirst contends that the per diem interest disclosure that the borrowers signed  
26 authorized it to collect interest on the business day immediately preceding the disbursement of loan  
27 proceeds, which was Friday, May 15, 2020. The company has not issued a refund to the borrowers.  
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1                   b.       **Loan Number 1808EM252746**

2                   Per the final settlement statement, AmeriFirst charged the borrower one day of per  
3 diem interest (from August 31 to September 1) at approximately \$24.28 interest per day. The first  
4 payment on the note was due October 1, 2018; therefore, interest began to accrue on the loan  
5 beginning September 1. The lender actually disbursed the loan proceeds on September 5, per escrow.  
6 AmeriFirst should have provided the borrower with a four-day interest credit, less one day of  
7 additional interest per Civil Code section 2948.5, subdivision (a), or a credit of \$72.83. AmeriFirst  
8 overcharged the borrower four days of interest or \$97.11. The company has not issued the borrower a  
9 credit refund.

10                   c.       **Loan Number 2001EM293358**

11                   Per the final settlement statement, AmeriFirst charged the borrowers 12 days of  
12 interest (from February 18 to March 1) with interest of approximately \$62.32 per day. The first  
13 payment on the note was due April 1, 2020; therefore, interest began accruing beginning on the loan  
14 on March 1. But the loan proceeds were actually disbursed on February 20, per title. AmeriFirst was  
15 only permitted to charge the borrowers 10 days of interest from February 20 to March 1, plus one  
16 additional day of interest per Civil Code section 2948.5, subdivision (a), or \$685.55. AmeriFirst  
17 overcharged the borrowers one day of interest or \$62.32. On December 29, 2020, the company  
18 refunded the borrowers the overcharge (including interest at 10 percent per annum).

19 **2020 Self-Audit Review: Commissioner's Additional Follow-Up**

20                   15.       In light of the deficiencies identified in AmeriFirst's November 3 self-audit report and  
21 the fact that the report was unreliable, the Commissioner selected an additional 24 loan files to review  
22 and the company provided the requested loan files to the Commissioner on December 30, 2020.

23                   16.       The Commissioner's review of the additional 24 loan files disclosed that AmeriFirst's  
24 self-audit report failed to identify per diem interest overcharges in the following 14 loan files.

25                   a.       **Loan Number 2003EM298174**

26                   Per the final settlement statement, AmeriFirst charged the borrower five days of  
27 interest (from March 27 to April 1) with interest of approximately \$19.77 per day. The first payment  
28 on the note was due May 1, 2020; therefore, interest began accruing beginning on the loan on April 1.

1 But the loan proceeds were actually disbursed on March 31 (a Tuesday), per title. AmeriFirst was  
2 only permitted to charge the borrower one day of interest from March 31 to April 1, plus one  
3 additional day of interest per Civil Code section 2948.5, subdivision (a), or \$39.54. AmeriFirst  
4 overcharged the borrower three days of interest or \$59.31. The per diem interest disclosure signed by  
5 the borrower on March 23, 2020 was excluded from the per diem interest calculation because the  
6 majority of the loan proceeds were not disbursed on a Monday or a day immediately following a bank  
7 holiday and the disclosure was incomplete. The company has not provided the borrower with a  
8 refund for the overcharge.

9           **b.       Loan Number 2007EM317126**

10           Per the final settlement statement, AmeriFirst charged the borrowers three days of  
11 interest (from September 28 to October 1) with interest of approximately \$27.95 per day. The first  
12 payment on the note was due November 1, 2020; therefore, interest began accruing beginning on the  
13 loan on October 1. But the loan proceeds were actually disbursed on September 30, per escrow.  
14 AmeriFirst was only permitted to charge the borrowers one day of interest from September 30 to  
15 October 1, plus one additional day of interest per Civil Code section 2948.5, subdivision (a), or  
16 \$55.58. AmeriFirst overcharged the borrowers one day of interest or \$27.80. The per diem interest  
17 disclosure signed by the borrowers on September 23, 2020 was not applicable as it was incomplete.  
18 The company has not provided the borrowers with a refund for the overcharge.

19           **c.       Loan Number 2001EM292998**

20           Per the final settlement statement, AmeriFirst charged the borrowers 17 days of  
21 interest (from April 14 to May 1) with interest of approximately \$55.31 per day. The first payment on  
22 the note was due June 1, 2020; therefore, interest began accruing beginning on the loan on May 1.  
23 But the loan proceeds were actually disbursed on April 16, per title. AmeriFirst was only permitted to  
24 charge the borrowers 15 days of interest from April 16 to May 1, plus one additional day of interest  
25 per Civil Code section 2948.5, subdivision (a), or \$884.96. AmeriFirst overcharged the borrowers  
26 one day of interest or \$55.31. The borrowers' April 9, 2020 per diem interest disclosure document  
27 was incomplete and therefore excluded from the per diem interest calculation. The company has not  
28 provided the borrowers with a refund for the overcharge.

1                   d.       **Loan Number 1910EM287125**

2                   Per the final settlement statement, AmeriFirst credited the borrowers with one day of  
3 per diem interest (from March 2 to March 1) at approximately \$49.08 interest per day. The first  
4 payment on the note was due April 1, 2020; therefore, interest began to accrue on the loan beginning  
5 March 1. The lender actually disbursed the loan proceeds on March 4 (a Wednesday), per escrow.  
6 AmeriFirst should have provided the borrowers with a three-day interest credit, less one day of  
7 additional interest per Civil Code section 2948.5, subdivision (a), or a credit of \$98.17. AmeriFirst  
8 overcharged the borrowers one day of interest or \$49.08. The borrowers' February 26, 2020 per diem  
9 interest disclosure document was excluded from the per diem interest calculation as the majority of  
10 loan proceeds did not disburse on a Monday or a day immediately following a bank holiday. The  
11 company has not issued the borrowers a credit refund.

12                   e.       **Loan Number 2002EM296509**

13                   Per the final settlement statement, AmeriFirst charged the borrowers nine days of  
14 interest (from March 23 to April 1) with interest of approximately \$25.21 per day. The first payment  
15 on the note was due May 1, 2020; therefore, interest began accruing beginning on the loan on April 1.  
16 But the loan proceeds were actually disbursed on March 25 (a Wednesday), per title. AmeriFirst was  
17 only permitted to charge the borrowers seven days of interest from March 25 to April 1, plus one  
18 additional day of interest per Civil Code section 2948.5, subdivision (a), or \$201.67. AmeriFirst  
19 overcharged the borrowers one day of interest or \$25.20. The borrowers' March 18, 2020 per diem  
20 interest disclosure document was excluded from the per diem interest calculation as the majority of  
21 loan proceeds did not disburse on a Monday or a day immediately following a bank holiday. The  
22 company has not issued the borrowers a refund.

23                   f.       **Loan Number 2002EM296163**

24                   Per the final settlement statement, AmeriFirst charged the borrowers two days of  
25 interest (from March 30 to April 1) with interest of approximately \$9.90 per day. The first payment  
26 on the note was due May 1, 2020; therefore, interest began accruing beginning on the loan on April 1.  
27 But the loan proceeds were actually disbursed on April 1 (a Wednesday), per title. AmeriFirst was  
28 only permitted to charge the borrowers one day of interest per Civil Code section 2948.5, subdivision

1 (a), or \$9.90 (March 31 to April 1). AmeriFirst overcharged the borrowers one day of interest or  
2 \$9.90. The borrowers' March 24, 2020 per diem interest disclosure document was excluded from the  
3 per diem interest calculation as the majority of loan proceeds did not disburse on a Monday or a day  
4 immediately following a bank holiday. The company has not issued the borrowers a refund.

5 g. **Loan Number 2003EM301611**

6 Per the final settlement statement, AmeriFirst charged the borrower five days of  
7 interest (from May 27 to June 1) with interest of approximately \$16.25 per day. The first payment on  
8 the note was due July 1, 2020; therefore, interest began accruing beginning on the loan on June 1. But  
9 the loan proceeds were actually disbursed on May 29 (a Friday), per title. AmeriFirst was only  
10 permitted to charge the borrowers three days of interest (from May 29 to June 1), plus one additional  
11 day of interest per Civil Code section 2948.5, subdivision (a), or \$65.00. AmeriFirst overcharged the  
12 borrower one day of interest or \$16.25. The borrower's May 21, 2020 per diem interest disclosure  
13 document was excluded from the per diem interest calculation as the majority of loan proceeds did  
14 not disburse on a Monday or a day immediately following a bank holiday. The company has not  
15 issued the borrower a refund.

16 h. **Loan Number 2003EM298449**

17 Per the final settlement statement, AmeriFirst did not charge the borrower any per  
18 diem interest (the daily interest was approximately \$12.38). The first payment on the note was due  
19 July 1, 2020; therefore, interest began to accrue on the loan beginning June 1. The lender actually  
20 disbursed the loan proceeds on June 3 (a Wednesday), per title. AmeriFirst should have provided the  
21 borrower with a two-day interest credit, less one day of additional interest per Civil Code section  
22 2948.5, subdivision (a), or a credit of \$12.38. AmeriFirst overcharged the borrower one day of  
23 interest or \$12.38. The borrower's May 27, 2020 per diem interest disclosure document was excluded  
24 from the per diem interest calculation as it was incomplete and also inapplicable, since the loan  
25 proceeds disbursed on a Wednesday. The company has not issued the borrower a credit refund.

26 i. **Loan Number 2003EM298334**

27 Per the final settlement statement, AmeriFirst charged the borrowers four days of  
28 interest (from April 27 through May 1) with interest of approximately \$22.04 per day. The first



1 payment on the note was due June 1, 2020; therefore, interest began accruing beginning on the loan  
2 on May 1. But the loan proceeds were actually disbursed on April 29 (a Wednesday), per title.  
3 AmeriFirst was only permitted to charge the borrowers two days of interest from April 29 to May 1,  
4 plus one additional day of interest per Civil Code section 2948.5, subdivision (a), or \$66.10.  
5 AmeriFirst overcharged the borrowers one day of interest or \$22.04. The borrowers' April 21, 2020  
6 per diem interest disclosure document was excluded from the per diem interest calculation as the  
7 majority of loan proceeds did not disburse on a Monday or a day immediately following a bank  
8 holiday. The company has not issued the borrowers a refund.

9 j. **Loan Number 2005EM307896**

10 Per the final settlement statement, AmeriFirst charged the borrower 14 days of interest  
11 (from June 17 to July 1) with interest of approximately \$30.09 per day. The first payment on the note  
12 was due August 1, 2020; therefore, interest began accruing beginning on the loan on July 1. But the  
13 loan proceeds were actually disbursed on June 19 (a Friday), per title. AmeriFirst was only permitted  
14 to charge the borrower 12 days of interest from June 19, plus one additional day of interest per Civil  
15 Code section 2948.5, subdivision (a), or \$391.22. AmeriFirst overcharged the borrower one day of  
16 interest or \$30.09. The borrower's June 12, 2020 per diem interest disclosure document was excluded  
17 from the per diem interest calculation as the majority of loan proceeds did not disburse on a Monday  
18 or a day immediately following a bank holiday. The company has not issued the borrower a refund.

19 k. **Loan Number 2007EM316654**

20 Per the final settlement statement, AmeriFirst charged the borrowers 23 days of  
21 interest (from September 8 to October 1) with interest of approximately \$40.73 per day. The first  
22 payment on the note was due November 1, 2020; therefore, interest began accruing beginning on the  
23 loan on October 1. But the loan proceeds were actually disbursed on September 10 (a Thursday), per  
24 escrow. AmeriFirst was only permitted to charge the borrowers 21 days of interest from September  
25 10 to October 1, plus one additional day of interest per Civil Code section 2948.5, subdivision (a), or  
26 \$896.04. AmeriFirst overcharged the borrowers one day of interest or \$40.73. The borrowers'  
27 September 2, 2020 per diem interest disclosure document was excluded from the per diem interest  
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1 calculation as the majority of loan proceeds did not disburse on a Monday or a day immediately  
2 following a bank holiday. The company has not issued the borrowers a refund.

3           1.       **Loan Number 2005EM306794**

4           Per the final settlement statement, AmeriFirst did not charge the borrowers any per  
5 diem interest (the daily interest was approximately \$15.60). The first payment on the note was due  
6 August 1, 2020; therefore, interest began to accrue on the loan beginning July 1 (a Wednesday). The  
7 lender actually disbursed the loan proceeds on July 6 (a Monday), per escrow. AmeriFirst should  
8 have provided the borrower with a five-day interest credit, less one day of additional interest per Civil  
9 Code section 2948.5, subdivision (a), or a credit of \$242.78. The borrowers' June 26, 2020 per diem  
10 interest disclosure document was excluded from the per diem interest calculation as interest began to  
11 accrue on the note on July 1 (a Wednesday) and July 2 and 3 (Thursday and Friday) were not  
12 holidays, therefore, the disclosure was inapplicable. AmeriFirst overcharged the borrower four days  
13 of interest or \$242.78. The company has not issued the borrower a credit refund.

14           m.       **Loan Number 2005EM309680**

15           Per the final settlement statement, AmeriFirst charged the borrowers eight days of  
16 interest (from July 24 to August 1) with interest of approximately \$31.28 per day. The first payment  
17 on the note was due September 1, 2020; therefore, interest began accruing beginning on the loan on  
18 August 1. But the loan proceeds were actually disbursed on July 28, per title (and the final settlement  
19 statement printed August 3, 2020). AmeriFirst was only permitted to charge the borrowers four days  
20 of interest from July 28 to August 1, plus one additional day of interest per Civil Code section  
21 2948.5, subdivision (a), or \$156.39. AmeriFirst overcharged the borrowers three days of interest or  
22 \$93.84. The borrowers' July 20, 2020 per diem interest disclosure document is incomplete and was  
23 excluded from the per diem interest calculation. The company has not issued the borrowers a refund.

24           n.       **Loan Number 2006EM314340**

25           Per the final settlement statement, AmeriFirst charged the borrowers one day of per  
26 diem interest (from July 31 to August 1) with interest of approximately \$21.08 per day. The first  
27 payment on the note was due September 1, 2020; therefore, interest began to accrue on the loan  
28 beginning August 1. The lender actually disbursed the loan proceeds on August 3, per title.

1 AmeriFirst should have provided the borrowers with a two-day interest credit, less one day of  
2 additional interest per Civil Code section 2948.5, subdivision (a), or a credit of \$21.08. AmeriFirst  
3 overcharged the borrowers two days of interest or \$42.16. The borrowers' July 27, 2020 per diem  
4 interest disclosure document is incomplete and was excluded from the per diem interest calculation.  
5 The company has not issued the borrowers a credit refund.

#### 6 **2014 Regulatory Examination and Enforcement Action**

7 17. The Commissioner conducted a regulatory examination of AmeriFirst's business  
8 beginning on May 19, 2014 (the 2014 regulatory exam).

9 18. The 2014 regulatory exam disclosed four per diem interest overcharge violations in  
10 four out of 21 originated loan files that staff had reviewed.

11 19. On or about March 12, 2015, the Commissioner initiated an administrative  
12 enforcement action against AmeriFirst based, in part, on the per diem interest violations. The  
13 enforcement action sought to suspend AmeriFirst's lender's license and impose civil monetary  
14 penalties. AmeriFirst was further ordered to discontinue violations of the CRMLA and refund  
15 excessive per diem interest charges.

16 20. On April 21, 2015, the Commissioner settled the administrative action filed against  
17 AmeriFirst. Under the parties' settlement, AmeriFirst agreed to refund the borrowers' per diem  
18 interest overcharges and it further agreed to pay the Commissioner a penalty of \$8,000.00.

#### 19 **2017 Regulatory Examination**

20 21. The company's 2017 regulatory examination began on March 19, 2017. The  
21 Commissioner's staff reviewed 18 loans AmeriFirst had originated during the period April to July  
22 2017. The Commissioner's 2017 review did not identify any per diem interest violations.

### 23 **III.**

#### 24 **Applicable Statutes**

25 22. Civil Code section 2948.5, provides:

26 (a) A borrower shall not be required to pay interest on a principal  
27 obligation under a promissory note secured by a mortgage or deed of  
28 trust on real property improved with between one to four residential  
dwelling units for any period that meets any of the following  
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- (1) Is more than one day prior to the date that the loan proceeds are disbursed from escrow.
- (2) In the event of no escrow, if a request for recording is made in connection with the disbursement, is more than one day prior to the date the loan proceeds are disbursed to the borrower, to a third party on behalf of the borrower, or to the lender to satisfy an existing obligation of the borrower.
- (3) In all other circumstances where there is no escrow and no request for recording, is prior to the date funds are disbursed to the borrower, to a third party on behalf of the borrower, or to the lender to satisfy an existing obligation of the borrower.
- (b) Interest may commence to accrue on the business day immediately preceding the day of disbursement, for obligations described in paragraphs (1) and (2) of subdivision (a) if both of the following occur:
  - (1) The borrower affirmatively requests, and the lender agrees, that the disbursement will occur on Monday, or a day immediately following a bank holiday.
  - (2) The following information is disclosed to the borrower in writing:
    - (A) the amount of additional per diem interest charged to facilitate disbursement on Monday or the day following a holiday, as the case may be, and (B) that it may be possible to avoid the additional per diem interest charge by disbursing the loan proceeds on a day immediately following a business day. This disclosure shall be provided to the borrower and acknowledged by the borrower by signing a copy of the disclosure document prior to placing funds in escrow.
- (c) This section does not apply to a loan that is subject to subdivision (c) of Section 10242 of the Business and Professions Code.

23. Financial Code section 50204, provides in pertinent part, “A licensee may not do any of the following . . . (o) Commit an act in violation of Section 2948.5 of the Civil Code[.]”

24. Financial Code section 50327 provides:

- (a) The commissioner may, after notice and a reasonable opportunity to be heard, deny, decline to renew, suspend, or revoke any license if the commissioner finds that:

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(1) The licensee has violated any provision of this division or any rule or order of the commissioner thereunder.

(2) Any fact or condition exists that, if it had existed at the time of the original application for the license, reasonably would have warranted the commissioner in refusing to issue the license originally.

(b) The power of investigation and examination by the commissioner is not terminated by the denial, nonrenewal, surrender, suspension, or revocation of any license issued by him or her.

25. Financial Code section 50513 provides in pertinent part:

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

. . . .

(4) Impose fines on a mortgage loan originator or any residential mortgage lender or servicer licensee employing a mortgage loan originator pursuant to subdivisions (b), (c), and (d).

. . . .

(b) The commissioner may impose a civil penalty on a mortgage loan originator or any residential mortgage lender or servicer licensee employing a mortgage loan originator, if the commissioner finds, on the record after notice and opportunity for hearing, that the mortgage loan originator or any residential mortgage lender or servicer licensee employing a mortgage loan originator has violated or failed to comply with any requirement of this division or any regulation prescribed by the commissioner under this division or order issued under authority of this division.

(c) The maximum amount of penalty for each act or omission described in subdivision (b) shall be twenty-five thousand dollars (\$25,000).

(d) Each violation or failure to comply with any directive or order of the commissioner is a separate and distinct violation or failure.

**IV.**

**Prayer**

The Commissioner finds that, by reason of the foregoing, AmeriFirst has violated Financial Code section 50204, subdivision (o), and grounds exist to (i) suspend the residential mortgage lender

1 and servicer licenses of AmeriFirst under Financial Code section 50327, subdivision (a)(1) and (ii)  
2 assess penalties against AmeriFirst under Financial Code section 50513, subdivision (b).

3 WHEREFORE, IT IS PRAYED that:

4 Under Financial Code section 50327, the residential mortgage lender license of AmeriFirst be  
5 suspended for a period of up to 12 months and, under Financial Code section 50513, subdivision (b),  
6 penalties be levied against AmeriFirst for 276 violations of Financial Code section 50204,  
7 subdivision (o), overcharging per diem interest, according to proof, but in an amount of at least  
8 \$1,000.00 per violation.

9 Dated: March 15, 2022  
10 Los Angeles, California

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation

11  
12 By \_\_\_\_\_  
13 Blaine A. Noblett  
14 Senior Counsel  
15 Enforcement Division  
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