

1 CLOTHILDE V. HEWLETT  
Commissioner  
2 MARY ANN SMITH  
Deputy Commissioner  
3 DANIEL P. O'DONNELL  
Assistant Chief Counsel  
4 STEVEN E. VONG (State Bar No. 311926)  
Counsel  
5 Department of Financial Protection and Innovation  
2101 Arena Blvd  
6 Sacramento, California 95834  
Telephone: (916) 210-9007  
7 Facsimile: (916) 928-7929

8 Attorneys for Complainant  
9

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

12 In the Matter of: ) NMLS ID. 2098064  
13 )  
14 THE COMMISSIONER OF FINANCIAL ) STATEMENT OF ISSUES  
PROTECTION AND INNOVATION, )  
15 )  
16 Complainant, )  
17 v. )  
18 JAYME RENEE HUTCHINS, )  
19 Respondent. )  
20 )

21 This Commissioner of Financial Protection and Innovation (Commissioner) is informed and  
22 believes, and based upon such information and belief, alleges and charges Respondent Jayme Renee  
23 Hutchins (Hutchins) as follows:

24 **I.**

25 **Jurisdiction and Venue**

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

1 Commissioner is authorized to administer the CFL and the rules and regulations promulgated in title  
2 10 of the California Code of Regulations (CCR) that regulate the business and activities of CFL-  
3 licensed lenders and servicers.

4 2. Under the provisions of Financial Code sections 22109.1, subdivision (a)(3) and  
5 50141, subdivision (a)(3), the Commissioner brings this action to deny the mortgage loan originator  
6 (MLO) license application submitted by Hutchins because Hutchins has not demonstrated such  
7 financial responsibility and general fitness as to command the confidence of the community and to  
8 warrant a determination that he will operate honestly, fairly, and efficiently as an MLO.

9 **II.**

10 **Statement of Facts**

11 3. To become licensed by the Commissioner as an MLO, an individual must submit a  
12 uniform application form (Form MU4) through the Nationwide Mortgage Licensing System and  
13 Registry (NMLS)<sup>1</sup>.

14 4. On April 14, 2021, Hutchins filed an application for a California MLO license by  
15 filing a Form MU4 through NMLS.

16 5. Form MU4 question (F)(1) asks: “Have you ever been convicted of or pled guilty or  
17 nolo contendere (‘no contest’) . . . to any felony?” Hutchins answered “yes” to question (F)(1), but  
18 did not provide any supporting documents, and only wrote “expunged” as an explanation.

19 6. On June 5, 2021, the Department’s special administrator sent Hutchins a notification  
20 through NMLS that a license item<sup>2</sup> was placed on the application, requesting an explanation of  
21 circumstances of the criminal disclosure, including attaching any applicable court or police  
22 documents.

23 \_\_\_\_\_  
24 <sup>1</sup> NMLS is a web-based platform for regulatory agencies to administer initial license applications and ongoing  
25 compliance requirements. NMLS is used by participating agencies to process the applications of companies and  
26 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.

27 <sup>2</sup> A “license item” is a request from a regulator such as DFPI on the NMLS website to a licensee or applicant to respond  
28 to a question or take an action. The NMLS website automatically generates an email to the licensee or applicant  
directing the person to check the NMLS website for the license item.

1           a.       From July through September 2021, Hutchins amended her MU4 responses  
2 seven times and submitted the information filed against her by the Contra Costa Superior Court on  
3 March 12, 2008 (Case No. 05-080301-5). The information alleged that between November 2005  
4 through October 2006, Hutchins and others conspired to commit the crimes of forgery, grant theft by  
5 trick or device, identity fraud, and filing false or forged instrument. It also alleged that Hutchins was  
6 a licensed real estate agent, that she met with a victim who intended to purchase a home in Oakland,  
7 and that Hutchins obtained the victim’s credit information for the home purchase. The information  
8 further stated that Hutchins used the victim’s credit and identity to purchase a home over \$700,000  
9 without the victim’s consent, that Hutchins’ co-conspirator falsely notarized that the victim signed  
10 the Deed of Trust, that Hutchins falsely placed her thumb print in place of the victim’s in a notary  
11 journal, and that Hutchins and another conspirator received approximately \$30,000 through  
12 commissions and fees for the false loan application of the victim.

13           b.       Hutchins also submitted the Contra Costa Superior Court case docket and  
14 minutes from August 25, 2008, indicating that she pled guilty to felony crimes of conspiracy to  
15 commit a crime, Penal Code section 182, subdivision (a)(1), and grand theft of personal property by  
16 trick or device, violation of Penal Code section 487, subdivision (a). The Contra Costa Superior  
17 Court also sentenced Hutchins to three years of probation, 210 days of jail, and participation in a  
18 work program.

19           c.       Hutchins also provided an Order of Dismissal from August 25, 2020, granting  
20 Hutchins’ petition for all felony convictions in Case No. 05-080301-5 to be reduced to  
21 misdemeanors, and to dismiss the convictions under Penal Code section 1203.4.

22           7.       Form MU4 question (K)(6) asks: “Has any State or federal regulatory agency or  
23 foreign financial regulatory authority or self-regulatory organization (SRO) ever: (6) denied or  
24 suspended your registration or license or application for licensure, disciplined you, or otherwise by  
25 order, prevented you from associating with a financial services-related business or restricted your  
26 activities?” Form MU4 question (K)(9) asks: “Has any State or federal regulatory agency or foreign  
27 financial regulatory authority or self-regulatory organization (SRO) ever: (9) entered an order  
28

1 concerning you in connection with any license or registration?” Hutchins responded “no” to both  
2 Questions K(6) and K(9).

3 a. On or about February 5, 2009, the California Department of Real Estate  
4 (DRE) filed an Order Accepting Voluntary Surrender of Real Estate License by Hutchins.

5 b. On October 24, 2016, the DRE filed an Order Denying Reinstatement of  
6 License concerning Hutchins, with the DRE Commissioner finding that Respondent was not  
7 sufficiently rehabilitated to receive a real estate salesperson license. The DRE Commissioner noted  
8 that Hutchins “fails to recognize the wrongdoing that led to her 2008 conviction, and continues to  
9 assert that she did not engage in the fraudulent transaction.”

10 8. On September 22, 2021, the Department’s special administrator sent Hutchins a  
11 notification through NMLS that the Department had placed a license item on the application  
12 requesting the disclosure of DRE regulatory actions taken against Hutchins.

13 9. On September 24, 2021, Hutchins amended her MU4, answering “yes” to Regulatory  
14 Action Disclosure Question (K)(9), attaching a Petition Application Supplement, and explaining that  
15 she started the re-instatement process for her real estate license. To date, Hutchins has not amended  
16 her response to Regulatory Action Disclosure Question (K)(6), disclosed that the DRE denied her  
17 May 19, 2016 petition to reinstate her DRE salesperson license, and failed to provide the relevant  
18 DRE documents with her amended MU4.

19 **III.**

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

21 10. The Commissioner “shall deny” an application for an MLO license unless he makes,  
22 at a minimum, specified findings, including that the applicant has demonstrated such financial  
23 responsibility, character, and general fitness as to command the confidence of the community and to  
24 warrant a determination that the applicant will operate honestly, fairly, and efficiently as a mortgage  
25 loan originator. (Fin. Code, §§ 22109.1, subd. (a)(3), 50141, subd. (a)(3).) The finding of financial  
26 responsibility, character, and general fitness “relates to any matter, personal or professional, that  
27 may impact upon an applicant’s propensity to operate honestly, fairly, and efficiently” as an MLO.  
28 (Cal. Code Regs., tit. 10, § 1950.122.5.2, subd. (a).)

1 11. As described above in paragraphs 6(a)-(c), Hutchins was charged on March 12, 2008  
2 with conspiracy to commit a crime and grand theft of personal property by trick or device. In  
3 August 2008, Hutchins pled guilty to conspiracy to commit a crime and grand theft of personal  
4 property by trick or device, and the Contra Costa Superior Court sentenced Hutchins to three years  
5 of probation, 210 days of jail, and participation in a work program. Although the felonies were  
6 expunged, Hutchins did not reveal the nature of her prior convictions and only provided supporting  
7 documentation when prompted by the Department. Because Hutchins' criminal history involves  
8 dishonestly in the field of financial services as a DRE licensee, the Department cannot and does not  
9 find that she has demonstrated the character and general fitness required for licensure as an MLO.

10 12. As described above in paragraphs 7(a)-7(b), Hutchins surrendered her real estate  
11 license in 2009, and the DRE issued an Order Denying Hutchin's petition for reinstatement in 2016,  
12 finding that she was not sufficiently rehabilitated to receive a real estate salesperson license. To  
13 date, Hutchins has not amended her MU4 response to Regulatory Action Disclosure Question  
14 (K)(6), nor has she disclosed that the DRE denied her May 19, 2016 petition to reinstate her DRE  
15 salesperson license or provided the relevant DRE documents with her amended MU4. Hutchins'  
16 failure to demonstrate rehabilitation to reinstate her DRE license and failure to disclose the DRE  
17 denial also leads the Department to find that she has not demonstrated the character and general  
18 fitness required for licensure as an MLO.

19 13. Thus, Hutchins has not demonstrated financial responsibility, character, and general  
20 fitness as to command the confidence of the community and to warrant a determination that she will  
21 operate honestly, fairly, and efficiently as an MLO under Financial Code sections 22109.1,  
22 subdivision (a)(3) and 50141, subdivision (a)(3).

23 **IV.**

24 **CFL Denial Statute**

25 14. Financial Code section 22109.1 provides in pertinent part:  
26 (a) The commissioner shall deny an application for a mortgage loan originator license  
27 unless the commissioner makes, at a minimum, the following findings:  
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

(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.

**V.**

**Prayer**

For the foregoing reasons, the Commissioner finds that Hutchins has not demonstrated the financial responsibility, character, and general fitness required under Financial Code section 22109.1, subdivision (a)(3).

Accordingly, the Commissioner must deny Hutchin’s application for a mortgage loan originator license. WHEREFORE, IT IS PRAYED that Hutchin’s application for a mortgage loan originator license be denied.

Dated: June 3, 2022  
Sacramento, California

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation

By \_\_\_\_\_  
Steven Vong  
Counsel  
Enforcement Division