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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 ID: 1182961
13)
14 THE COMMISSIONER OF FINANCIAL) STATEMENT OF ISSUES IN SUPPORT OF
PROTECTION AND INNOVATION,) ORDER DENYING MORTGAGE LOAN
15) ORIGINATOR LICENSE APPLICATION
Complainant,)
16 v.) (California Financial Code section 50513)
17)
18 TRAVIS JAMES RUSSELL,)
Respondent.)
_____)

19
20 The Commissioner of Financial Protection and Innovation (Commissioner) alleges and charges
21 the Respondent, Travis James Russell (Russell), as follows:

22 **I.**

23 **Introduction**

24 1. The Commissioner licenses and regulates mortgage loan originators, finance lenders,
25 and brokers under the California Financing Law (Fin. Code, § 22000 *et seq.*) (CFL),¹ and licenses and
26 regulates mortgage loan originators, residential mortgage lenders, and residential mortgage servicers
27 under the California Residential Mortgage Lending Act (Fin. Code, § 50000 *et seq.*) (CRMLA).

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¹ All further references are to the Financial Code unless otherwise stated.

1 2. To become licensed by the Commissioner as a mortgage loan originator (MLO), an
2 individual must submit a uniform application form (known as the MU2 or MU4 form) through the
3 Nationwide Mortgage Licensing System & Registry (NMLS). The NMLS contains a detailed set of
4 instructions for filing license applications, including a checklist of items to be completed by the
5 applicant, who is fully responsible for all the requirements of the license.

6 3. As a prerequisite to obtaining a MLO license, an applicant is required to have a
7 sponsoring company that is a CFL or CRMLA-licensed lender, servicer, or broker. Russell has no
8 sponsorship with a CFL or CRMLA licensee.

9 4. Further, in submitting an application, MLO licensees are required to sign an oath and
10 attestation agreeing “to keep the information contained in this [MU4] form current and to file accurate
11 supplementary information on a timely basis....”

12 5. Pursuant to California Code of Regulations, title 10, section 1409.1, MLO licensees are
13 required to promptly report any change in the information contained in the licensee’s MU2 or MU4
14 (other than financial information contained therein) by filing an amendment to their application setting
15 forth the changed information.

16 6. On July 21, 2021, Russell applied for a MLO license with the Commissioner by
17 submitting a Form MU4 through the NLMS (Application).

18 7. The Commissioner seeks to deny the issuance of a mortgage loan originator license to
19 Russell on the basis that: (i) pursuant to section 22109.1, subdivisions (a), and (2)(A), Russell has
20 been convicted of, or pled guilty or nolo contendere to, a felony during the seven-year period
21 preceding the date of his Application; (ii) pursuant to section 22109.1, subdivision (a)(3), Russell has
22 not demonstrated such financial responsibility, character, and general fitness as to command the
23 confidence of the community and to warrant a determination that the mortgage loan originator will
24 operate honestly, fairly, and efficiently within the purposes of this division; and (iii) pursuant to
25 section 50513 subdivision (a)(2), Russell fails to meet the requirements of section 50141 or 50144, or
26 withheld information or made a material misstatement in an application for a license or license
27 renewal.

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II.

Statement of Facts

8. Russell was previously licensed as a mortgage loan originator by the Commissioner from September 9, 2014 to January 1, 2017. Russell did not seek to renew his MLO license at any time during September 9, 2014 to January 1, 2017, when his MLO license was active. As a result, Russell’s license was terminated for failure to renew as of January 1, 2017.

9. On September 15, 2020, Russell reapplied for an MLO license and on February 4, 2021, Russell’s license application was abandoned for failing to respond to license item deficiencies noted in his application.

10. On July 21, 2021, Russell submitted the instant Application. The Commissioner’s review of Russell’s Application and background check disclosed that on or about March 2, 2010, Russell pled guilty and was convicted of one count of felony assault by means of force likely to cause great bodily injury, in violation of Penal Code section 245, subdivision (a)(1), at the Riverside Superior Court, Case No. INF065820 (2010 felony conviction).

11. The Commissioner further discovered that on or about September 3, 2015, Russell pled guilty and was convicted of one count of felony assault by means of force likely to cause great bodily injury, in violation of Penal Code section 245, subdivision (a)(1), at the Riverside Superior Court, Case No. INF1501811 (2015 felony conviction).

12. The Commissioner did not receive any amendments or reports from Russell disclosing the 2015 felony conviction as required under California Code of Regulations, title10, section 1409.1.

13. In his Application, Johnson responded “no” to a Criminal Disclosure Question (F)(1) which asks in pertinent part:

F (1) Have you ever been convicted of or pled guilty or nolo contendere (“no contest”) in a domestic, foreign, or military court to any felony?

14. On August 12, 2021, a license item was placed on Russell’s Application directing him to provide the appropriate response to Criminal Disclosure Question (F)(1), along with an explanation and supporting court documents.

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(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.

(Fin. Code, §§ 22109.1 & 50141)

20. Section 50513 of the CFL provides in relevant 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.

(Fin. Code, § 50513, subd. (a)(2))

Russell was convicted of a felony

21. The Commissioner “shall deny” an application for an MLO license unless she makes, at a minimum, specified findings, including that the applicant has not been convicted of, or pled guilty or no contest to, a felony during the seven-year period preceding the date of the application, or at any time preceding the date of the application, if such felony involved an act of fraud, dishonesty, a breach of trust, or money laundering. (Fin. Code, §§ 22109.1, subd. (a)(2) & 50141, subd. (a)(2).)

22. As alleged in paragraph 10, Russell submitted his Application on July 21, 2021. As alleged in paragraph 11 herein, on September 3, 2015, Russell pled guilty and was convicted of a felony assault by force likely to cause great bodily injury. Accordingly, Russell’s 2010 felony conviction occurred within a seven-year period preceding the date of his Application. Under sections 22109.1, subdivision (a)(2), and 50141, subdivision (a)(2), the Commissioner must deny Russell’s Application.

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1 Russell withheld information or made material misstatement in his Application

2 23. The Commissioner may deny an application for an MLO license if the applicant
3 withholds information or makes a material misstatement in the application. (Fin. Code, §§ 22172,
4 subd. (a)(2) & 50513, subd. (a)(2).)

5 24. As alleged in paragraphs 10 through 12 herein, Russell withheld information or made a
6 material misstatement by failing to disclose the 2010 and 2015 felony convictions in his Application.
7 Further, as alleged in paragraph 13 herein, Russell responded “no” to a Criminal Disclosure Question
8 (F)(1) which asks whether he has ever been convicted of or pled guilty or no contest in a domestic
9 court to any felony. Russell should have responded “yes” to Criminal Disclosure Question (F)(1), as
10 such, Russell’s answer constitutes a material misstatement.

11 Russell has not demonstrated the requisite financial responsibility, character and general fitness

12 25. The Commissioner “shall deny” an application for an MLO license unless she makes,
13 at a minimum, specified findings, including that the applicant has demonstrated such financial
14 responsibility, character, and general fitness as to command the confidence of the community and to
15 warrant a determination that the applicant will operate honestly, fairly, and efficiently as a mortgage
16 loan originator. (Fin. Code, §§ 22109.1, subd. (a)(3) & 50141, subd. (a)(3).)

17 26. As alleged in paragraphs 10 and 11 herein, Russell was convicted in 2010 and 2015 of
18 felony assault by force likely to cause great bodily injury, neither of which was disclosed in his
19 Application. Despite Russell’s attestation to keep the information contained in this MU4 form current
20 and to promptly report any change in the information contained in his MU4 form, Russell failed to file
21 an amendment or report the changes to his initial application for a MLO, in violation of California
22 Code of Regulations, title 10, section 1409.1. Russell’s failure to comply with his attestation or lack of
23 candor in disclosing the 2010 and 2015 felony convictions weigh against a finding that Russell has
24 demonstrated the character and general fitness as to command the confidence of the community and to
25 warrant a determination that he will operate honestly, fairly, and efficiently as an MLO.

26 27. Therefore, the Commissioner makes a determination that Russell has not demonstrated
27 such character, and general fitness as to command the confidence of the community and to warrant a
28 determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the

1 purposes of this division pursuant to section 22109.1 subdivision (3). Under sections 22109.1,
2 subdivision (a)(3), and 50141, subdivision (a)(3), Russell’s Application must be denied.

3 Russell has not submitted documents demonstrating he has a sponsoring employer.

4 28. The Commissioner “shall deny” an application for an MLO license unless she makes, at
5 a minimum, specified findings, including that the applicant is employed by and subject to the
6 supervision of a lender, broker, or servicer licensed under the CFL or CRMLA. (Fin. Code, §§
7 22109.1, subd. (a)(6) & 50141, subd. (a)(6).) 26. As alleged in paragraph 17 herein, Russel has not
8 provided information showing he is employed or sponsored by a CFL-licensed lender or broker or a
9 CRMLA-licensed lender or servicer. Thus, the Commissioner finds that Russell is not employed by or
10 subject to the supervision of a lender, broker, or servicer licensed under the CFL or CRMLA, as such,
11 Russell’s Application must be denied under sections 22109.1, subdivision (a)(6), and 50141,
12 subdivision (a)(6).

13 **IV.**

14 **Conclusion**

15 For the foregoing reasons, the Commissioner finds that Russell was convicted of a felony in a
16 domestic court during the seven-year period preceding the date of his Application for licensing and
17 registration within the meaning of Financial Code sections 22109.1, subdivision (a)(2), and 50141,
18 subdivision (a)(2). The Commissioner also finds that Russell withheld information and made material
19 misstatements in his Application within the meaning of Financial Code sections 22172, subdivision
20 (a)(2) and section 50513, subdivision (a)(2). The Commissioner also finds that Russell has not
21 demonstrated the financial responsibility, character, and general fitness required under Financial Code
22 sections 22109.1, subdivision (a)(3), and 50141, subdivision (a)(3), and that Russell does not have a
23 sponsoring employer.

24 Accordingly, the Commissioner must deny Russell’s application for a mortgage loan
25 originator license.

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WHEREFORE IT IS PRAYED, by reason of the foregoing, that the MLO application filed by
Travis James Russell on July 21, 2021, be denied.

Dated: July 29, 2022

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation

By _____
UCHE L. ENENWALI
Senior Counsel
Enforcement Division