

# Monthly Bulletin

California Department of Business Oversight



---

**Volume 4, Number 8**

**March 2017**

---



## DBO Reaches Settlement with Ocwen Loan Servicing

The DBO on Feb. 17 announced a \$225 million settlement with Ocwen Loan Servicing, LLC, which requires the firm to pay \$20 million in cash for borrower restitution while restoring Ocwen's ability to service new California mortgages. Ocwen is a large mortgage lender and servicer licensed and regulated by the DBO under the California Residential Mortgage Lending Act.

"This is a fair and just settlement for California consumers," said DBO Commissioner Jan Lynn Owen. "The terms will hold Ocwen accountable for widespread violations of laws that harmed borrowers in our state."

In addition to the restitution, the settlement requires Ocwen to pay penalties and provide borrowers \$198 million of debt forgiveness over three years. The debt forgiveness will be provided through loan modifications.

The settlement resolves allegations arising from regulatory examinations of Ocwen's servicing practices, and its compliance with state and federal laws and regulations. The examinations were conducted by a third-party auditor pursuant to a Jan. 23, 2015, consent order entered by the DBO and Ocwen that resolved a previous enforcement action brought by the DBO.

The Feb. 17 [DBO press release](#) and [settlement](#) are available on the DBO website.

---

1515 K Street, Suite 200  
Sacramento, CA 95814-4052  
(916) 445-7205

One Sansome Street, Suite 600  
San Francisco, CA 94104-4428  
(415) 972-8565

320 West 4<sup>th</sup> Street, Suite 750  
Los Angeles, CA 90013-2344  
(213) 576-7500

1350 Front Street, Room 2034  
San Diego, CA 92101-3697  
(619) 525-4233

45 Fremont Street, Suite 1700  
San Francisco, CA 94105  
(415) 263-8500

300 S. Spring Street, Suite 15513  
Los Angeles, CA 90013  
(213) 897-2085

7575 Metropolitan Drive, Suite 108  
San Diego, CA 92108  
(619) 682-7227

Department of Business Oversight Consumer Services Office – 1 (866) 275-2677



## California Finance Lenders Law 2016 Annual Report Due Mar. 15

The 2016 calendar year annual report for licensees under the California Finance Lenders Law (CFLL) must be submitted to the DBO no later than Mar. 15. Missing the filing deadline may result in penalty assessments, and failure to file the annual report constitutes grounds for license revocation. No extensions will be granted.

Filling out and submitting the report is a web-based process that must be completed on the DBO's website via the [self-service portal](#). Licensees who have not registered through DOCQNET should do so immediately [here](#).

Licensees with questions should email [CFL.Inquiries@dbo.ca.gov](mailto:CFL.Inquiries@dbo.ca.gov) or call (213) 576-7690.



## CDDTL Annual Report and Industry Survey Due Mar. 15

All California Deferred Deposit Transaction Law (CDDTL) licensees must submit to the DBO a complete Annual Report and Industry Survey for calendar year 2016 no later than Mar. 15.

The Annual Report and Industry Survey must be completed online through the [self-service portal](#) on the DBO website. In order to prepare and submit the Annual Report and Industry Survey, all CDDTL licensees are required to have a registered DBO portal account.

The Annual Report and Industry Survey are required by California Financial Code sections [23026](#) and [23015](#). They help the DBO monitor and assess the state's payday lending industry.

Questions about the Annual Report and Industry Survey should be emailed to [RespondToCDDTL@dbo.ca.gov](mailto:RespondToCDDTL@dbo.ca.gov).



## Responsible Small Dollar Loans Pilot Program Annual Report Due Mar. 15

The calendar year 2016 annual report for CFLL licensees participating in the [Increased Access to Responsible Small Dollar Loan \(RSDL\) pilot program](#) must be submitted to the DBO no later than Mar. 15. No extensions will be granted.

The report is in Excel spreadsheet format, and can be downloaded via a link upon signing into the DBO [self-service portal](#). The report is not available in paper format. Customer survey questions no longer are part of the RSDL reporting.

Licensees with questions should email [CFL.Inquiries@dbo.ca.gov](mailto:CFL.Inquiries@dbo.ca.gov) or call (213) 576-7690.



## Holden Act Reports Due

Mortgage lending licensees must file their Residential Mortgage Loan Report for calendar year 2016 (Holden Act Report) no later than Mar. 31.

The Holden Act Report must be filed by all State-licensed residential mortgage lenders that do not report the data to a federal or State regulatory agency as provided by the [Home Mortgage Disclosure Act of 1975](#).

Licensees should consult with their internal compliance officers regarding whether they are required to file the report. Instructions and reporting forms may be found at the DBO website [here](#).

Completed reports may be scanned and emailed on or before Mar. 31 to [Holden.Inquiries@dbo.ca.gov](mailto:Holden.Inquiries@dbo.ca.gov). Information regarding the report may be obtained by calling (866) 275-2677.



## DBO to Hold Roundtable Discussion with Fintech Industry Representatives

Commissioner Owen and DBO staff will meet with fintech industry representatives Mar. 22 in San Francisco to discuss the industry's concerns with the 50-state regulatory system and how best to address those concerns.

Fintech attendees will include online platforms that have participated in the DBO's inquiry into the online lending sector, as well as trade groups representing both lenders and electronic transaction firms. Commissioner Owen hopes to come away from the roundtable with ideas that can form the basis of discussions with her colleagues at the Conference of State Bank Supervisors about potential changes to the state regulatory system.

The meeting comes against the backdrop of the U.S. Office of the Comptroller of the Currency's Dec. 2 decision to move forward with a national special purpose charter for fintech companies.



## Escrow Law Advisory Committee

The next Escrow Law Advisory Committee meeting will be held Mar. 14 at 10 a.m. in the seventh floor conference room at the DBO's Los Angeles office, located at 320 West Fourth Street.

The [agenda](#) for the next meeting and the [minutes](#) from the Dec. 13 meeting are available at the DBO website [escrow law page](#).

Please contact Special Administrator Richard Malme in the Los Angeles office at (213) 576-7595 if you have any questions.



## Statewide Drought Conditions Further Eased by Wet Winter

Following a season of exceptional snow storms, the Sierra Nevada snowpack is at historically high levels, according to State water officials. The average snowpack across the range was at 185% of the normal size for March 1. The snowpack is source of a third of California's drinking water.



Meanwhile, the [U.S. Drought Monitor](#) has reported that, as of the end of February, 75% of the state is no longer in drought conditions, although some parts of central and southern California remain so.

For more information on the drought and conservation programs, go to [www.drought.ca.gov/](http://www.drought.ca.gov/).

---

## **Commercial Bank Activity**

### **Merger**

Founders Community Bank, San Luis Obispo, to merge with and into Premier Valley Bank, Fresno  
Approved: 2/14/17  
Effectuated: 2/28/17

Heritage Oaks Bank, Paso Robles, to merge with and into Pacific Premier Bank, Irvine  
Filed: 1/31/17

United Business Bank, FSB, Oakland, to merge with and into Bay Commercial Bank, Walnut Creek  
Filed: 1/23/17

### **Acquisition of Control**

Heartland Financial USA, Inc. to acquire control of Founders Community Bank  
Approved: 2/14/17

**Sale of Partial Business Unit**

Sunwest Bank, Irvine, California, to sell its University Place branch to Sound Community Bank, Seattle, Washington

Filed: 1/31/17

Approved: 2/13/17

**Premium Finance Company Activity****New Premium Finance Company**

Foundation Capital Finance Corporation  
660 Newport Center Drive, Newport Beach  
Opened: 2/21/17

Got Premiums, Inc.  
16461 Sherman Way, Lake Balboa  
Opened: 3/16/16

Next Wave Premium Finance, Inc.  
660 Newport Center Drive, Newport Beach  
Filed: 2/7/17

Premier Financing, Inc.  
600 West Broadway, San Diego  
Opened: 2/1/17

PrimePlan Premium Financing Inc.  
601 E. Glenoaks Boulevard, Glendale  
Approved: 2/14/17

**Credit Union Activity****Conversion to Federal Charter**

First Financial Credit Union, West Covina as First Financial Federal Credit Union  
Effectuated: 1/31/17

**Merger**

Bakery Employees Credit Union, to merge with and into Bourns Employees Federal Credit Union, Riverside  
Approved: 2/1/17  
Effectuated: 2/1/17

**Change of Name**

United Health Credit Union, to change its name to Upward Credit Union  
Effected: 12/22/16

**Foreign (Other Nation) Bank Activity****New Office**

Governor and Company of the Bank of Ireland, The  
300 Spectrum Center Drive, Irvine (Representative Office)  
Opened: 2/13/17

Sumitomo Mitsui Banking Corporation  
101 Jefferson Drive, Menlo Park (Representative Office)  
Approved: 2/7/17

**Money Transmitter Activity****New Money Transmitter**

BillMo LLC  
Filed: 9/29/16

Mercari, Inc.  
Filed: 1/13/17

Paypool LLC  
Filed: 1/11/17

**Voluntary Surrender of License**

ZenPay, Inc.  
Effected: 2/13/17

---

**JAN LYNN OWEN**

Commissioner of Business Oversight

