

Monthly Bulletin

California Department of Business Oversight



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September 2018



Santa Rosa Bank, Nor-Cal FDC Step Up To Help Sonoma County Fire Victims

On Aug. 24, DBO Commissioner Jan Lynn Owen hosted an industry roundtable with the Governor's Office of Emergency Services (Cal OES) director Mark Ghilarducci and Insurance Commissioner Dave Jones to explore potential solutions and stopgaps to problems facing survivors of the recent catastrophic wildfires.

As a result of that meeting, the DBO announced a partnership between state-chartered Poppy Bank of Santa Rosa and Northern California Financial Development Corporation (Nor-Cal FDC) to extend a \$450,000 line of credit to Chiaramonte Construction and Plumbing Inc. (Chiaramonte) to help rebuild 250 homes in an area of Sonoma County that burned in the 2017 wildfires.

Nor-Cal FDC provided an 80 percent guarantee to the line of credit Poppy Bank provided Chiaramonte. Nor-Cal FDC is a public benefit corporation chartered and regulated by the Governor's Office of Business and Economic Development. Under the State Loan Guarantee Program, Nor-Cal FDC provides guarantees for loans, and specializes in helping small businesses that do not meet traditional lending guidelines.

The DBO also asks our licensees – banks, credit unions, mortgage lenders and others – to continue to provide as much discretion and latitude as possible to help fire victims recover and rebuild.

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

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

*320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500*

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

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

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

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



The DBO Launches Online Exam Questionnaire for Some Investment Advisers

The DBO enforces the [Corporate Securities Law of 1968](#) and its [implementing regulations](#). The DBO's Broker Dealer and Investment Adviser (BDIA) Division oversees the investment advisory program which consists of a registration and examination

component. Both components are critical to the integrity of the investment advisory industry and the protection of investors.

Starting in October, the DBO will launch an annual online Investment Adviser examination for certain registered Investment Advisers. The mandatory examination consists of an online questionnaire that California-registered investment advisers are required to complete and submit to the BDIA.

Although the Division has the [authority to conduct on-site examinations](#) of investment advisers with or without notice, the Division has determined that, in certain cases, an online examination will be conducted.

California-registered investment adviser firms that have a principal place of business in another state are required to complete the online examination.

Starting in October, the Division will send examination questionnaires to firm's designated email addresses. Designated email addresses must be dedicated to DBO communications and monitored by a firm's executive staff to ensure prompt attention to communications from the DBO.

Firms must complete and submit the online examinations to the DBO. After reviewing examination responses, the DBO may have additional questions or requests for information, or may determine that an on-site examination is warranted.

For questions or inquiries, please contact the BDIA at IAAEQ@dbo.ca.gov.



Credit Union Annual Audit Reports Due October 13 for Fiscal Years Ending June 30

Credit unions with fiscal years that ended on June 30, are required to file their annual audit report with the DBO by Oct. 13, 2018.

Please ensure all financial statements and management letters required by [FC 14252](#) and [CCR 30.1000](#) are included, as well as reports of confirmation of member accounts where required by [CCR 30.302\(b\)](#).

Reports should be submitted to cuannual.auditreports@dbo.ca.gov. If a credit union fails to submit this required report on time, the DBO has the authority under [FC 14256\(b\)](#) and [FC 329](#) to impose fines for each day late.

Questions about the audit report may be addressed to the DBO credit union portfolio manager for your region. The DBO website identifies the [DBO contact for each credit union](#).



PACE Program Administrator License Application Available

Applications for a Property Assessed Clean Energy (PACE) Program Administrator license are now available through the [Nationwide Multistate Licensing System and Registry \(NMLS\) website](#). PACE Program Administrators must be licensed by the DBO by Jan. 1, 2019 to do business in California.

The NMLS [Getting Started](#) page provides instructions on submitting an application. For NMLS-related questions, call (855) 665-7123.

The [DBO's website](#) provides additional information about DBO's PACE program and regulations process.



CSBS Launches Single Nationwide Exam for Mortgage Loan Originators

The Conference of State Bank Supervisors (CSBS) on Aug. 8 [announced](#) that all states and U.S. territories will now use a single, common examination to assess mortgage loan originators (MLOs), streamlining the licensing process for MLOs and supervision of the mortgage industry.

The Uniform State Test is one of several initiatives, collectively known as [Vision 2020](#), that state regulators have devised to improve the state licensing process for all nonbank financial services.

Previously, a mortgage license candidate would need to take multiple tests – a national exam an exam for each state license. A license applicant who passes the national test will not need to take any additional state tests to hold a license within any state or U.S. territory.



Property Tax Postponement Program for Seniors and Disabled Homeowners

The [State Controller's Property Tax Postponement \(PTP\) Program](#) allows senior, blind or disabled homeowners to defer current-year property taxes on their principal residence. To qualify, homeowners must meet certain criteria including having at least 40 percent equity in their home and an annual household income of \$35,500 or less.

Applications are available online and may be filed with the State Controller's Office beginning Oct. 1.

For additional information, contact Karen Garcia at (916) 445-5469 or KM Garcia@sco.ca.gov.



Proposed OCC Rulemaking for Community Reinvestment Act

The Office of the Comptroller of the Currency (OCC) on Aug. 28 released an Advanced Notice of Proposed Rulemaking (ANPR) seeking comment on the best ways to modernize the regulatory framework of the Community Reinvestment Act (CRA).

The CRA was enacted in 1977 to encourage insured depository institutions to help meet the credit needs of their communities, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of such banks.

Through this ANPR, the OCC seeks stakeholder comment on ways to modernize the regulations that implement the CRA, to better achieve the statute's original purpose, increase lending and investment where it is needed most, and reduce the burden associated with reporting and assessing CRA performance.

The OCC submitted the ANPR for publication in the *Federal Register*, with a 75-day comment period from the date of publication. The [complete bulletin](#) is available at the OCC website.

Commercial Bank Activity

Merger

Americas United Bank, Glendale, to merge with and into Bank of Southern California, NA, San Diego
Effectuated: 8/1/18

Community Bank, Pasadena, to merge with and into Citizens Business Bank, Ontario
Effectuated: 8/10/18

First American International Bank, Brooklyn, New York, to merge with and into Royal Business Bank, Los Angeles
Approved: 8/14/18

Merger (cont.)

My Bank, Belen, New Mexico, to merge with and into United Business Bank,
Walnut Creek
Filed: 8/24/18

Southwestern National Bank, Houston, Texas, to merge with and into Hanmi
Bank, Los Angeles
Approved: 8/14/18

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

Biz Premium Finance Corp
6200 Canoga Avenue, Woodland Hills
Filed: 8/29/18

Cal West Premium Funding
600 West Broadway, San Diego
Filed: 8/22/18

Equinox Premium Acceptance, Inc.
660 Newport Center Drive, Newport Beach
Opened: 7/26/18

Link Financing LLC
21109 Avenida de Sonrisa, Santa Clarita
Filed: 8/23/18

Mepco PFA, Inc.
10877 Wilshire Boulevard, Los Angeles
Approved: 8/20/18

Next Wave Premium Finance, Inc.
660 Newport Center Drive, Newport Beach
Opened: 8/1/18

Acquisition of Control

Eric Magee and Chad Bitterlich, to acquire control of Western Pacific Finance,
Inc.
Filed: 8/7/18

Voluntary Surrender of License

MDJ Financial, Inc.
600 West Broadway, San Diego
Effected: 8/29/18

Credit Union Activity**Merger**

Entrust Financial Credit Union, Richmond, Virginia, to merge with and into
Christian Community Credit Union, San Dimas
Withdrawn: 8/3/18

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

DNB Bank ASA
City of Palo Alto (Representative Office)
Filed: 8/23/18

Money Transmitter Activity**New Money Transmitter**

LL Pay U.S., LLC
Filed: 8/30/18

Mercari, Inc.
Opened: 8/22/18

Paypool LLC
Approved: 8/9/18

PayQwick, Inc.
Opened: 8/22/18

Acquisition of Control

BDC Payments Holdings, Inc., to acquire control of Bill.com, Inc.
Approved: 8/14/18

LBC Express Holdings, Inc., to acquire control of LBC Mundial Corporation
Approved: 8/9/18

PayPal, Inc. to acquire control of HSI USA, Inc.
Approved: 8/31/18

Prabhu Holding Group Corp, to acquire control of Prabhu Group Inc
Filed: 8/1/18

JAN LYNN OWEN

Commissioner of Business Oversight



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