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8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
9 OF THE STATE OF CALIFORNIA

11	In the Matter of:)	CRMLA LICENSE NO.: 413-0680
12	THE COMMISSIONER OF BUSINESS)	
13	OVERSIGHT,)	STATEMENT OF FACTS IN SUPPORT OF
14	Complainant,)	ORDER TO DISCONTINUE VIOLATIONS
15	v.)	PURSUANT TO FINANCIAL CODE
16	DRAPER AND KRAMER MORTGAGE)	SECTION 50321 AND NOTICE OF INTENT
17	CORP.,)	TO MAKE ORDER FINAL
18	Respondent.)	
19)	

20 The Complainant, the Commissioner of Business Oversight (Commissioner) is informed and
21 believes and based upon such information and belief, alleges and charges as follows:

22 **I.**

23 **Introduction**

24 1. Draper and Kramer Mortgage Corp. (Draper) is a residential mortgage lender and
25 servicer licensed by the Commissioner pursuant to the California Residential Mortgage Lending Act
26 (CRMLA) (Fin. Code Section §50000 et seq.). Draper has its principal place of business located at
27 701 E. 22nd Street, Suite 125. Lombard, Illinois 60148. Draper has 19 branch locations under its
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1 CRMLA license in California and elsewhere. Draper employs mortgage loan originators in its
2 CRMLA business.

3 **II.**

4 **Improper Fair Lending Notices**

5 2. On or about July 28, 2017, the Commissioner, by and through staff, commenced a
6 regulatory examination of the books and records of Draper under the CRMLA (2017 regulatory
7 examination). The 2017 regulatory examination disclosed during the Fair Lending Notice review
8 that Draper had violated Financial Code section 50204, subdivision (i), Health and Safety Code
9 section 35830 and California Code of Regulations, title 21, section 7114 in all 22 loans reviewed by
10 (i) initially providing Fair Lending Notices to borrowers which failed to list the Department of
11 Business Oversight (Department) as the agency to contact for questions or complaints and (ii)
12 providing Fair Lending Notices to borrowers at loan closing that listed multiple agencies, including
13 the Department, but failed to mark the Department as the agency to contact for questions or
14 complaints.

15 3. The Commissioner had found that Draper had failed to provide proper Fair Lending
16 Notices during the last regulatory examination under the CRMLA that commenced in June 2013.
17 Based upon the findings of the 2013 regulatory examination, the Commissioner instructed Draper to
18 implement such procedures as necessary to ensure that proper Fair Lending Notices were provided in
19 the future.

20 **III.**

21 **Conclusion**

22 4. By reason of the foregoing, Draper and Kramer Mortgage Corp. has violated
23 Financial Code section 50204, subdivision (i), Health and Safety Code section 35380, and California
24 Code of Regulations, title 21, section 7114.

25 5. Financial Code section 50321 provides in pertinent part:

26 If, after investigation, the commissioner has reasonable grounds
27 to believe that any licensee has violated its articles of incorporation or
28 any law or rule binding upon it, the commissioner shall, by written order
addressed to the licensee, direct the discontinuance of the violation. The
order shall be effective immediately, but shall not become final except

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in accordance with the provisions of Section 50323.

6. Financial Code section 50323 provides:

(a) No order issued pursuant to Section 50321 or 50322 may become final except after notice to the affected licensee of the commissioner's intention to make the order final and of the reasons for the finding. The commissioner shall also notify the licensee that upon receiving a request the matter will be set for hearing to commence within 15 business days after receipt. The licensee may consent to have the hearing commenced at a later date. If no hearing is requested within 30 days after the mailing or service of the required notice, and none is ordered by the commissioner, the order may become final without hearing and the licensee shall immediately discontinue the practices named in the order. If a hearing is requested or ordered, it shall be held in accordance with the provisions of the administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code), and the commissioner shall have all the powers granted under that act. If, upon the hearing, it appears to the commissioner that the licensee is conducting business in an unsafe and injurious manner or is violating its articles of incorporation or any law of this state, or any rule binding upon it, the commissioner shall make the order of discontinuance final and the licensee shall immediately discontinue the practices named in the order.

(b) The licensee has 10 days after an order is made final to commence an action to restrain enforcement of the order. If enforcement of the order is not enjoined within 10 days by the court in which the action is brought, the licensee shall comply with the order.

WHEREFORE, good cause showing, the Commissioner is issuing an Order to Discontinue Violations Pursuant to Financial Code Section 50321 and notifying Draper and Kramer Mortgage Corp. of the Commissioner's intention to make the order final.

Dated: May 10, 2018
Los Angeles, CA

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
Judy L. Hartley
Senior Counsel
Enforcement Division