

1 PRESTON DUFAUCHARD  
California Corporations Commissioner  
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9 Attorneys for Complainant

10 BEFORE THE DEPARTMENT OF CORPORATIONS  
11 OF THE STATE OF CALIFORNIA

12 THE CALIFORNIA CORPORATIONS )  
13 COMMISSIONER, )

File No.: 4130801

14 Complainant, )

**ORDER REVOKING RESIDENTIAL  
MORTGAGE LENDER LICENSE**

15 v. )  
16 )

17 FINANCIAL MORTGAGE USA, INC. d.b.a. )  
18 FINANCIAL MORT. USA, INC. )

19 Respondent. )  
20 )  
21 )

22 The California Corporations Commissioner finds:

23 1. Respondent Financial Mortgage USA, Inc. d.b.a. Financial Mort.USA, Inc.  
24 ("FINANCIAL") is a residential mortgage lender and mortgage loan servicer licensed by the  
25 Commissioner pursuant to the California Residential Mortgage Lending Act (California Financial  
26 Code, § 50000 *et seq.*) ("CRMLA"). FINANCIAL has its principal place of business located at 711  
27 Kapiolani Blvd., Suite 1600, Honolulu, HI 96813.  
28

1           2. Pursuant to California Financial Code sections 50307 and 50401 and California Code  
2 of Regulations, title 10, section 1950.314.8, all licensees under the CRMLA are required to file the  
3 following annual reports with the Commissioner: (1) Report of Principal Amount of Loans and  
4 Aggregate Amount of Loans Serviced ("Activity Report"); (2) Report on Non-traditional, Adjustable  
5 Rate and Mortgage Loan Products ("Non-traditional Report"); and (3) Non-traditional, Adjustable  
6 Rate and Mortgage Loan Survey ("Survey"). The Activity Report, Non-traditional Report, and  
7 Survey must be filed with the Commissioner on or before March 1st of each year for the preceding  
8 twelve (12) month period ending December 31.

9           3. On or about February 1, 2008, an Activity Report form, Non-traditional Report form  
10 and Survey were sent to all CRMLA licensees, including FINANCIAL, with a notice stating that  
11 these reports were due on or before March 1, 2008. The Commissioner assessed a penalty of  
12 \$1000.00 for the failure to submit these reports on May 15, 2008.

13           4. To date, FINANCIAL has not submitted the Activity Report, the Non-traditional  
14 Report or the Survey to the Commissioner and paid the assessed penalty.

15           5. Pursuant to California Financial Code section 50205(a), FINANCIAL must maintain a  
16 surety bond. On April 16, 2008, the Commissioner received a Notice of Cancellation Non-Renewal  
17 of FINANCIAL's surety bond from Hartford Fire Insurance Company. The date of cancellation of  
18 the surety bond was June 27, 2008.

19           6. To date, FINANCIAL has not reinstated or replaced their surety bond, as required by  
20 California Financial Code section 50205(a).

21           7. On or about June 30, 2008, the Commissioner issued an Order To Discontinue  
22 Residential Mortgage Lending And/Or Servicing Activities Pursuant California Financial Code  
23 section 50319<sup>1</sup> to FINANCIAL.

24 \_\_\_\_\_  
25 <sup>1</sup> California Financial Code section 50319 provides in pertinent part: (a) If the commissioner, as a result of any  
26 examination or from any report made to him or her, shall find that any person subject to this division.... has  
27 failed to comply with the bonding requirements of Section 50205, the commissioner may, by an order  
28 addressed to and served by registered or certified mail, or by personal service on that person...., direct  
discontinuance of the disbursement, in whole or in part, of trust funds held by the licensee and order the  
establishment of a separate trust account for all subsequent trust funds received by the licensee.

1           8.       To date, the Order To Discontinue Residential Mortgage Lending And/Or Servicing  
2 Activities Pursuant California Financial Code section 50319 remains in effect.

3           9.       Failure to file the Activity Report, Non-traditional Report, and Survey, failure to  
4 maintain a valid surety bond, and/or pay assessed penalties are grounds under California Financial  
5 Code section 50327 for the revocation of a license issued under the CRMLA.

6           10.      On September 24, 2008, the Commissioner issued a Notice of Intention to Issue Order  
7 Revoking Residential Mortgage Lender License, Accusation and accompanying documents against  
8 FINANCIAL based upon the above, and FINANCIAL was served with those documents on October  
9 2, 2008 via certified mail, return receipt requested, at its licensed location on file with the California  
10 Department of Corporations. The Department has not received a request for hearing from  
11 FINANCIAL and the time to request a hearing has expired.

12           NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the residential  
13 mortgage lender license issued by the Commissioner to Financial Mortgage USA, Inc. d.b.a.  
14 Financial Mort.USA, Inc., is hereby revoked. This order is effective as of the date hereof. Pursuant  
15 to California Financial Code section 50311, Financial Mortgage USA, Inc. d.b.a. Financial  
16 Mort.USA, Inc., has sixty (60) days within which to complete any loans for which it had  
17 commitments.

18  
19 DATED: November 5, 2008  
20 Sacramento, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

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22  
23 By \_\_\_\_\_  
24 Alan S. Weinger  
25 Lead Corporations Counsel  
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