

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 MICHAEL L. PINKERTON
Deputy Commissioner
3 ALAN S. WEINGER (CA Bar No. 86717)
Lead Corporations Counsel
4 MIRANDA L. MAISON (CA Bar No. 210082)
Senior Corporations Counsel
5 1515 K Street, Suite 200
Sacramento, California 95814
6 Telephone: (916) 322-8730 Fax: (916) 445-6985

7 Attorneys for Complainant

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BEFORE THE DEPARTMENT OF CORPORATIONS

10

OF THE STATE OF CALIFORNIA

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In the Matter of the Accusation of THE
12 CALIFORNIA CORPORATIONS
COMMISSIONER,

) File No.: 413-0398

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Complainant,

) **ORDER REVOKING RESIDENTIAL
MORTGAGE SERVICER LICENSE**

14

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v.

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UNITED FINANCIAL MORTGAGE CORP.,

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Respondent.

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The California Corporations Commissioner ("Commissioner") finds:

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1. Respondent United Financial Mortgage Corp. ("United Financial") is a residential mortgage lender and servicer licensed by the California Department of Corporations ("Department") pursuant to the California Residential Mortgage Lending Act ("CRMLA") (California Financial Code sections 50000 *et seq.*). United Financial has its principal place of business located at 815 Commerce Drive, Suite 100, Oak Brook, Illinois 60523.

2. Pursuant to Financial Code section 50307 and California Code of Regulations, Title 10, section 1950.314.8, all licensees under the CRMLA are required to file an annual Report of Principal

1 Amount of Loans and Aggregate Amount of Loans Serviced ("Activity Report") on or before March
2 1st of each year for the preceding 12-month period ended December 31.

3 3. On or about April 5, 2006, the Commissioner notified United Financial in writing that,
4 pursuant to Financial Code section 50200, it was required to submit an annual audit report for its
5 fiscal year ended April 30, 2006 ("Audit Report"). The Audit Report was required to include a
6 reconciliation of all trust accounts as of the audit date ("Reconciliation Report"). United Financial
7 failed to file its 2006 Reconciliation Report which was due on August 15, 2006, as required by
8 Financial Code section 50200.

9 4. United Financial failed to file any part of its annual Audit Report for the fiscal year ended
10 April 30, 2007, as required by Financial Code section 50200.

11 5. On July 31, 2007, United Financial filed for bankruptcy protection under Chapter 7 with the
12 United States Bankruptcy Court District of Delaware (Case No. 07-10943-CSS). The U.S. Trustee is
13 Montague S. Claybrook, 913 N. Market Street, Suite 900, Wilmington, Delaware 19801.

14 6. On or about September 28, 2007, United Financial was issued its annual assessment invoice
15 (No. MB0425) pursuant to Financial Code section 50401 in the amount of \$5,000.00. United
16 Financial failed to pay the assessment, which was due on October 18, 2007.

17 7. On or about February 1, 2008, an Activity Report form was sent to all CRMLA licensees with
18 a notice that the Activity Report was due on or before March 1, 2008. United Financial failed to
19 submit its Activity Report to the Commissioner.

20 8. Financial Code section 50205 requires each CRMLA licensee to maintain a surety bond to be
21 used for the recovery of expenses, fines, or fees levied by the Commissioner for losses or damages
22 incurred by borrowers or consumers as a result of a licensee's noncompliance with the requirements
23 of the CRMLA. On February 1, 2008, the surety bond issued to United Financial by Great American
24 Insurance Company expired, and no replacement bond was obtained.

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1 9. On February 1, 2008, the Commissioner issued an order under the authority of Financial Code
2 section 50319 requiring United Financial to discontinue conducting residential mortgage lending
3 and/or servicing activities in an unsafe and injurious manner as to render further operations hazardous
4 to the public or to customers. As no hearing was requested by United Financial pursuant to the
5 provisions of section 50319, this order remains in effect.

6 10. On August 27, 2008, the Commissioner issued a Notice of Intention to Issue Order Revoking
7 Residential Mortgage Lender License, Accusation and accompanying documents against United
8 Financial. United Financial was served with those documents on September 8, 2008 via certified
9 mail, return receipt requested, at its licensed location on file with the California Department of
10 Corporations. The Department received no request for a hearing from United Financial, and the time
11 to request a hearing expired.

12 11. On October 1, 2008, the Commissioner issued an order, with immediate effect, revoking the
13 residential mortgage lender license of United Financial. Pursuant to California Financial Code
14 section 50311, United Financial was provided sixty (60) days from the date of the order within which
15 to complete any loans for which it had commitments.

16 12. On October 3, 2008, the Commissioner issued a Notice of Intention to Issue Order Revoking
17 Residential Mortgage Servicer License, Accusation and accompanying documents against United
18 Financial, and service was effected upon United Financial with those documents on December 29,
19 2008 via certified mail, return receipt requested, at its service address on file with the California
20 Department of Corporations. The Department has received no request for a hearing from United
21 Financial.

22 The Commissioner finds that, by reason of the foregoing, United Financial Mortgage Corp.
23 has violated sections 50200, 50205 and 50401 of the California Financial Code and section
24 1950.314.8 of Title 10 of the California Code of Regulations, and based thereon grounds exist to
25 revoke the residential mortgage loan servicer license of United Financial Mortgage Corp.

26 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the residential
27 mortgage loan servicer license issued by the Commissioner to United Financial Mortgage Corp. is
28 hereby revoked. This order is effective as of the date hereof. Pursuant to California Financial Code

1 section 50311, United Financial Mortgage Corp. has sixty (60) days within which to complete any
2 loans for which it had previous commitments.

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4 DATED: January 27, 2009
5 Los Angeles, CA

California Corporations Commissioner

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7 By _____
8 ALAN S. WEINGER
9 Lead Corporations Counsel

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