

DEPARTMENT OF BUSINESS OVERSIGHT*Ensuring a Fair and Secure Financial Services Marketplace for all Californians***JAN LYNN OWEN****Commissioner of Business Oversight****For Immediate Release**

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Movement Mortgage to pay more than \$1.1 Million in Penalties and Refunds

SACRAMENTO – The California Department of Business Oversight (DBO) today announced Movement Mortgage, LLC, a home mortgage lender based in South Carolina, has agreed to pay more than \$1.1 million in penalties and customer refunds to resolve findings that it overcharged borrowers and serviced loans without a state license.

“This closes the second and I hope the last action the DBO is forced to take against Movement Mortgage,” DBO Commissioner Jan Lynn Owen said. “I am pleased with the [settlement](#), which compensates borrowers for the financial harm they suffered and requires the firm to take steps to prevent this from happening again.”

The settlement requires Movement to refrain from loan servicing activities until licensed and to make per diem interest refunds to at least 1,347 borrowers. Those refunds are expected to total more than \$141,000. Movement also agreed to submit to independent auditing of its loan originations and to implement revised policies and procedures to prevent future violations of California law.

Movement will pay \$1 million in penalties to the DBO for past violations and \$125 for each additional violation identified by the independent audit.

The settlement resolves violations discovered in a 2016 regulatory examination conducted by the DBO. Under California law, lenders cannot start charging interest on mortgage loans until the last business day before the loan proceeds are disbursed.

California law also prohibits lenders from servicing residential loans without first obtaining servicing authority from the DBO. The DBO found that Movement violated the statutory limits on per diem interest and had serviced loans without proper licensure.

The settlement represents the second time in the past five years that California examiners have found per diem overcharges in Movement’s loans. After a 2012 examination, Movement refunded nearly \$7,300 to 65 customers. No penalties were assessed at that time.

The DBO licenses and regulates more than 360,000 individuals and entities that provide financial services in California. The DBO’s regulatory jurisdiction extends over state-chartered banks and credit unions, money transmitters, securities broker-dealers, investment advisers, nonbank installment lenders, proraters, payday lenders, mortgage lenders and servicers, escrow companies, franchisors and more.

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