

1 MARY ANN SMITH
2 Deputy Commissioner
3 SEAN M. ROONEY
4 Assistant Chief Counsel
5 AFSANEH EGHBALDARI (State Bar No. 250107)
6 Counsel
7 Department of Business Oversight
8 1350 Front Street, Room 2034
9 San Diego, California 92101
10 Telephone: (619) 645-3166
11 Facsimile: (619) 525-4045

12 Attorneys for Complainant

13 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
14 OF THE STATE OF CALIFORNIA

15 In the Matter of:)	CRMLA LICENSE NO.: 413-1265
)	
16 THE COMMISSIONER OF BUSINESS)	
17 OVERSIGHT,)	
18 Complainant,)	ACCUSATION TO REVOKE RESIDENTIAL
)	MORTGAGE LENDER LICENSE
19 v.)	
)	
20 MCS MORTGAGE BANKERS, INC.)	(FINANCIAL CODE SECTION 50327)
21 (also known as HOME AMERICA LENDING)	
22 CORP.),)	
)	
23 Respondent.)	
)	

24 JAN LYNN OWEN, the Commissioner of Business Oversight (Commissioner) is informed
25 and believes, and based upon such information and belief, alleges and charges as follows:

26 **I.**
27 **Introduction**

28 1. The Commissioner is authorized to administer and enforce the provisions of the
California Residential Mortgage Lending Act (CRMLA) as set forth in Financial Code section
50000 et seq.

2. MCS Mortgage Bankers, Inc. (MCS Mortgage) is a residential mortgage lender
originally licensed on March 10, 2014, by the Commissioner with CRMLA License No. 413-1265,

1 pursuant to the CRMLA.

2 3. On or about May 9, 2018, MCS Mortgage notified the Department of Business
3 Oversight (Department) that it had changed its name to Home America Lending Corp. (Home
4 America) in June 2017. However, the Department did not approve this name change.

5 4. MCS Mortgage’s and Home America’s principal place of business is located at: 20
6 Oak Street, Patchogue, New York 11772.

7 5. The Commissioner now brings this action to revoke the CRMLA lender license of
8 MCS Mortgage pursuant to Financial Code section 50327.

9 **II.**

10 **Authority to Revoke CRMLA License**

11 6. Financial Code section 50327 provides in pertinent part:

12 (a) The commissioner may, after notice and a reasonable opportunity
13 to be heard, suspend or revoke any license if the commissioner finds
14 that:

15 (1) The licensee has violated any provision of this division or any rule
16 or order of the commissioner thereunder and within the authority of
17 this division.

18 **III.**

19 **Violations of CRMLA**

20 7. On or about January 13, 2018, the Department commenced a regulatory examination
21 of MCS Mortgage’s books and records (2018 examination).

22 8. The 2018 examination revealed that MCS Mortgage violated Financial Code section
23 50204, subdivision (e) by obtaining agreements or other instruments in which blanks were left to be
24 filled in after execution.

25 9. Financial Code section 50401, subdivision (a) requires all residential mortgage
26 lenders or servicers to timely pay an annual assessment. On or about September 26, 2018, MCS
27 Mortgage was notified of its annual assessment for the Fiscal Year 2018 – 2019. The annual
28 assessment in the amount of \$5,000.00 was due on October 18, 2018. MCS Mortgage failed to pay
the annual assessment.

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1 10. Financial Code section 50314, subdivision (c) requires all residential mortgage
2 lenders or servicers to pay the cost of every inspection and examination and allow the Commissioner
3 to maintain an action for the recovery of those costs in any court of competent jurisdiction. MCS
4 Mortgage failed to pay its examination bill in the amount of \$12,810.00, which was due on May 18,
5 2018.

6 11. On or about December 27, 2018, the Commissioner sent a letter to MCS Mortgage at
7 the address on file with the Commissioner, notifying MCS Mortgage about the outstanding
8 examination bill and annual assessment, and requested MCS Mortgage to pay the outstanding
9 examination bill and annual assessment by January 7, 2019.

10 12. The Commissioner did not receive a response to the December 27, 2018 letter. In
11 fact, the December 27, 2018 letter was returned to the Department. The Commissioner has not
12 received any change of address from MCS Mortgage.

13 13. To date, MCS Mortgage has not paid the \$12,810.00 examination bill or the
14 \$5,000.00 annual assessment, in violation of Financial Code sections 50401, subdivision (a) and
15 50314, subdivision (c).

16 14. Financial Code section 50205 requires a residential mortgage lender or servicer to
17 maintain a surety bond at all times. On or about December 19, 2018, the Department received a
18 notice of bond cancelation for Home America. The effective date of cancellation was February 20,
19 2019.

20 15. On January 17, 2019, the Department sent a letter to MCS Mortgage and Home
21 America at the address on file with the Commissioner, regarding the surety bond cancelation and
22 requested proof of bond replacement or reinstatement. To date, neither MCS Mortgage nor Home
23 America have replaced or reinstated the surety bond, in violation of Financial Code section 50205.

24 16. Pursuant to Financial Code sections 50307, subdivision (a) and 50401, subdivision
25 (a), and California Code of Regulations, title 10, (CCR) section 1950.314.8, all licensees under the
26 CRMLA are required to file an annual Report of Principal Amount of Loans and Aggregate Amount
27 of Loans Serviced (Annual Report) on or before March 1st of each year for the preceding 12-month
28 period ended December 31. MCS Mortgage's Annual Report was due on March 1, 2019.

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17. To date, MCS Mortgage has failed to file its 2018 Annual Report, in violation of Financial Code sections 50307, subdivision (a) and 50401, subdivision (a), and CCR section 1950.314.8.

IV.
Conclusion

The Commissioner finds that, by reason of the foregoing, MCS Mortgage Bankers, Inc. (also known as Home America Lending Corp.) has violated Financial Code sections 50204, 50314, 50205, 50307, and 50401, and CCR section 1950.314.8, and based thereon, grounds exist to revoke the residential mortgage lender license of MCS Mortgage Bankers, Inc. (also known as Home America Lending Corp.) pursuant to Financial Code section 50327.

V.
Prayer

WHEREFORE, good cause showing, and pursuant to Financial Code section 50327, the Commissioner prays for an order revoking the residential mortgage lending license of MCS Mortgage Bankers, Inc. (also known as Home America Lending Corp.).

Dated: April 25, 2019
San Diego, California

JAN LYNN OWEN
Commissioner of Business Oversight

By: _____
Afsaneh Eghbaldari
Counsel
Enforcement Division