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BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of the Statement of Issues of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, vs. LITTON LOAN SERVICING LP, Respondent.	LICENSE NO: 413-0234 **ACCUSATION IN SUPPORT OF REVOCATION OF CALIFORNIA RESIDENTIAL MORTGAGE LENDER AND MORTGAGE LOAN SERVICER LICENSE**

The Complainant, California Corporations Commissioner ("Commissioner"), is informed and believes, and based upon such information and belief, alleges and charges Respondent, LITTON LOAN SERVICING LP ("LITTON") as follows:

I.

LITTON is a residential mortgage lender and mortgage loan 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*.) (All future references to sections are to the California Financial Code unless indicated otherwise.).

LITTON has its principal place of business located at 4828 Loop Central Drive, Houston, TX 77081.

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II.

Pursuant to California Financial Code section 50200, each licensee is required to submit a comprehensive audited financial report ("Audit Report") audited by an independent certified public accountant for the end of the licensee's fiscal year. LITTON was required to submit its Audit Report for its fiscal year ending on December 31, 2011 no later than April 15, 2012. LITTON has yet to file its Audit Report in violation of California Financial Code section 50200.

III.

Pursuant to California Financial Code sections 50307, 50401, 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 Amount of Loans Originated and Aggregate Amount of Loans Serviced for the 12 Month Period Ended December 31, 2011 ("Activity Report"), an annual Report on Non-traditional Adjustable Rate and Mortgage Loan Products ("Non-traditional Report") and an annual Non-traditional, Adjustable Rate and Mortgage Loan Survey ("Survey") on or before March 1st of each year.

On or about February 6, 2012, Activity Report forms, Non-traditional Report forms, and Surveys were sent to all CRMLA licensees, including LITTON, with a notice that their reports were due on or before March 1, 2012. LITTON failed to submit its Activity Report, Non-traditional Report and Survey by the due date.

On or about June 5, 2012, a letter was sent to LITTON demanding that its Activity Report, Non-traditional Report, and Survey be filed "no later than 10 days from the date of this letter" and assessing a penalty of $1,000, pursuant to California Financial Code section 50326. LITTON was notified in the letter that its failure to file the reports or pay the penalty would result in an action to either suspend or revoke its license. A penalty of $1,000 was assessed. On or about August 2, 2012, the Department received the penalty payment for LITTON from Ocwen Loan Servicing LLC.

LITTON has yet to submit its Activity Report, Non-traditional Report and Survey, as required by California Financial Code sections 50307, and 50401 and California Code of Regulations, title 10, section 1950.314.8.

IV.

Pursuant to California Financial Code section 50307.2 and California Code of Regulations, title 10, section 1950.307, all licensees are required to file the Nationwide Mortgage Licensing System Mortgage Call Report ("MCR") within 45 days of the end of each quarter. LITTON failed to file its MCR reports for the quarters ended December 31, 2011 and March 31, 2012 as well as its Statement of Financial Condition for the year ended December 31, 2011.

V.

California Financial Code section 50327 provides in pertinent part:

> (a) The commissioner may, after notice and a reasonable opportunity to be heard, suspend or revoke any license if the commissioner finds that: (1) the licensee has violated any provision of this division or any rule or order of the commissioner thereunder; or (2) any fact or condition exists that, if it had existed at the time of the original application for license, reasonably would have warranted the commissioner in refusing to issue the license originally.

VI.

The Commissioner finds that, by reason of the foregoing, LITTON LOAN SERVICING LP has violated California Financial Code sections 50307, 50307.2, 50200, 50401, and California Code of Regulations, title 10, sections 1950.314.8 and 1950.307, and based thereon grounds exist to revoke the residential mortgage lender and mortgage loan servicer license of LITTON LOAN SERVICING LP.

WHEREFORE, IT IS PRAYED that the residential mortgage lender and mortgage loan servicer license of LITTON LOAN SERVICING LP be revoked and pursuant to California Financial Code sections 50310 and 50311, LITTON LOAN SERVICING LP be given a transition period of sixty (60) days within which to complete any loans for which it had commitments and to transfer servicing to an authorized mortgage loan servicer.

Dated: August 13, 2012

JAN LYNN OWEN
California Corporations Commissioner

By: _____
AFSANEH EGHBALDARI
Corporations Counsel