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BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of the Accusation of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, v. NFI, INC., Respondent.	File No.: 413-1013 ORDER REVOKING RESIDENTIAL MORTGAGE LENDER LICENSE

The California Corporations Commissioner ("Commissioner" or "Complainant") finds:

1. NFI, Inc. ("Respondent") is a residential mortgage lender licensed by the Commissioner pursuant to the California Residential Mortgage Lending Act ("CRMLA"), California Financial Code section 50000 *et seq*. Respondent's main office is located at 8910 N. Dale Mabry Highway, Suite 18, Tampa, Florida 33614.

2. Pursuant to California Financial Code sections 50307 and 50401,[1] and California Code of Regulations, Title 10 ("Regulation") 1950.314.8, all licensees under the CRMLA are

[1] All statutory references are to the California Financial Code unless otherwise noted.

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required to file an annual Report of Principal Amount of Loans and Aggregate Amount of Loans Serviced ("Principal Report"), Report on Non-traditional Adjustable Rate and Mortgage Loan Products ("Non-traditional Report") and Non-traditional, Adjustable Rate and Mortgage Loan Survey ("Survey") (collectively, the "Reports") on or before March 1 of each year for the preceding 12-month period ended December 31. Respondent failed to submit the Reports for the years ended December 31, 2009 and December 31, 2010, despite repeated, written demand.

3. On or about January 29, 2010, the Principal Report, Non-traditional Report, and Survey form for the year ended December 31, 2009 was sent to all CRMLA licensees with a notice that the Reports were due on or before March 1, 2010.

4. On or about August 12, 2010, the Commissioner sent a letter to Respondent notifying Respondent of its failure to file the Reports, assessing a $1,000 penalty pursuant to section 50326 and demanding that the Reports be filed no later than ten days from the date of the letter. The letter notified Respondent that failure to file the Reports or pay the penalty by such date would result in an action to suspend or revoke its license pursuant to section 50327.

5. On or about January 27, 2011, the Principal Report, Non-traditional Report, and Survey form for the year ended December 31, 2010 was sent to all CRMLA licensees with a notice that the Reports were due on or before March 1, 2011.

6. On or about and June 17, 2011, the Commissioner sent a letter to Respondent notifying Respondent of its failure to file the Reports, assessing a $1,000 penalty pursuant to section 50326 and demanding that the Reports be filed no later than ten days from the date of the letter. The letter notified Respondent that failure to file the Reports or pay the penalty by such date would result in an action to suspend or revoke its license pursuant to section 50327.

7. To date, Respondent has failed to file the Reports or pay the associated penalties.

8. Pursuant to section 50200, Respondent is required to submit its audited financial statements ("Audit Report") on or before April 15 of each year for the preceding fiscal year ended December 31, including a reconciliation of trust accounts, Uniform Single Attestation Program for Mortgage Brokers, and Independent Auditor's Report on Internal Controls pursuant to Regulation

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1950.200. Respondent failed to file its 2009 and 2010 Audit Reports despite repeated, written demand.

9. On or about December 21, 2009, Complainant notified Respondent by letter that its 2009 Audit Report was due on or before April 15, 2010, and that failure to do so may result in administrative action under section 50326, including penalties. Respondent failed to submit the Audit Report by such date.

10. On or about June 17, 2010, a second letter was sent to Respondent demanding that Respondent file its Audit Report on or before June 27, 2010 and again notifying Respondent that the failure to do so may result in administrative action under section 50326, including penalties. Respondent failed to submit the Audit Report by such date.

11. On or about December 9, 2010, Complainant notified Respondent by letter that its Audit Report for fiscal year ended December 31, 2010 was due on or before April 15, 2011. The letter stated that failure to do so may result in administrative action under 50326, including penalties. Respondent failed to submit the Audit Report by such date.

12. On or about May 27, 2011, a second letter was sent to Respondent demanding that Respondent file its 2010 Audit Report on or before June 6, 2011 and again notifying Respondent that the failure to do so may result in administrative action under section 50326, including penalties. Respondent failed to submit the 2010 Audit Report by such date.

13. To date, Respondent has failed to file its Audit Report for the fiscal years ended December 31, 2009 and December 31, 2010.

14. Section 50205 requires all CRMLA licensees to maintain a surety bond in the minimum amount of $50,000.00. Respondent's surety bond was cancelled effective October 15, 2010, and no replacement bond has been obtained.

15. On or about October 18, 2010, the Commissioner issued an Order to Discontinue Residential Mortgage Lending and/or Servicing Activities Pursuant to Section 50319, California Financial Code based on Respondent's failure to maintain the required surety bond. This Order was

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served on Respondent on or about October 18, 2010. To date, Respondent has failed to obtain a surety bond and the Order remains in effect.

16. Section 50002.5 requires all licensees to transition their licenses to the Nationwide Mortgage Licensing System ("NMLS"). To date, Respondent has failed to file a transition request through NMLS for its CRMLA license.

17. Failure to file the Reports, file audited financial statements, maintain a surety bond and/or pay assessed penalties constitute grounds under Section 50327 for the revocation of a license issued under the CRMLA.

18. On September 12, 2011, the Commissioner issued a Notice of Intention to Issue Order Revoking Residential Mortgage Lender License, Accusation and accompanying documents against Respondent based on the foregoing. Respondent was served with those documents on September 13, 2011 via certified mail, return-receipt requested, at its address of record on file with the California Department of Corporations. The Department has received no request for a hearing from Respondent.

NOW THEREFORE, GOOD CAUSE APPEARING, it is hereby ordered that the residential mortgage lender license issued by the Commissioner to NFI, Inc. is hereby revoked. This Order is effective as of the date hereof. Pursuant to California Financial Code section 50311, NFI, Inc. has sixty (60) days within which to complete any loans for which it had commitments.

Dated: October 4, 2011
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
Alan S. Weinger
Deputy Commissioner

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