

1 PRESTON DUFAUCHARD
California Corporations Commissioner
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Acting Deputy Commissioner
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8 Attorneys for Complainant

9
10 BEFORE THE DEPARTMENT OF CORPORATIONS
11 OF THE STATE OF CALIFORNIA
12

13 In the Matter of the Accusation of THE) File No.: 413-0746
14 CALIFORNIA CORPORATIONS)
COMMISSIONER,)
15) **ACCUSATION**
Complainant,)
16) California Financial Code §50311
v.)
17)
18 RENAISSANCE HOME & MORTGAGE, INC.)
19 d.b.a. RHM, REVERSE HOME MORTGAGE)
OF CALIFORNIA, and RHM of CALIFORNIA)
20)
Respondent.)

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

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26 **I.**

27 Respondent RENAISSANCE HOME & MORTGAGE, INC. d.b.a. RHM, REVERSE HOME
28 MORTGAGE OF CALIFORNIA, and RHM of CALIFORNIA ("Renaissance") is a residential

1 mortgage lender and mortgage loan servicer licensed by the Commissioner pursuant to the California
2 Residential Mortgage Lending Act (California Financial Code, § 50000 *et seq.*) ("CRMLA").
3 Renaissance has its principal place of business located at 1851 McCarthy Boulevard, Milpitas, CA,
4 95035.

5 II.

6 Pursuant to California Financial Code sections 50307 and 50401 and California Code of
7 Regulations, title 10, section 1950.314.8, all licensees under the CRMLA are required to file the
8 following annual reports with the Commissioner: (1) Report of Principal Amount of Loans and
9 Aggregate Amount of Loans Serviced ("Activity Report"); (2) Report on Non-traditional, Adjustable
10 Rate and Mortgage Loan Products ("Non-traditional Report"); and (3) Non-traditional, Adjustable
11 Rate and Mortgage Loan Survey ("Survey"). The Activity Report, Non-traditional Report, and
12 Survey must be filed with the Commissioner on or before March 1st of each year for the preceding
13 twelve (12) month period ending December 31.

14 On or about February 1, 2008, an Activity Report form, Non-traditional Report form and
15 Survey were sent to all CRMLA licensees, including Renaissance, with a notice stating that these
16 reports were due on or before March 1, 2008. The Commissioner assessed a penalty of \$1000.00 for
17 the failure to submit these reports on or about May 15, 2008. To date, Renaissance has not submitted
18 the Activity Report, the Non-traditional Report or the Survey to the Commissioner or paid the
19 assessed penalty.

20 III.

21 Pursuant to California Financial Code section 50200, all licensees under the CRMLA are
22 required to file audited financial statements ("Audited Report") and an Independent Auditor's Report
23 on Internal Controls ("Report on Internal Controls") with the Commissioner. Renaissance was
24 required to submit its Audited Report and Report of Internal Controls for its fiscal year ending
25 December 31, 2007 to the Commissioner on or before April 15, 2008.

26 On or about December 17, 2007, a reminder notice was issued to Renaissance reminding
27 Renaissance that these reports were due to be filed with the Commissioner on or before April 15,
28 2008. Renaissance did not submit the Audited Report or Report of Internal Controls to the

1 Commissioner, despite this reminder notice.

2 On or about June 4, 2008, a letter was sent to Renaissance demanding that it file the Audit
3 Report and Report on Internal Controls “within ten (10) days of the date of this letter.” Renaissance
4 was notified that failure to file the above reports would result in the referral of this matter to the
5 Special Administrator for administrative action that may result in a fine pursuant to Financial Code
6 section 50326 and a revocation of Renaissance’s license pursuant to Financial Code section 50326.
7 The Commissioner assessed another penalty of \$1000.00 for the failure to submit these reports on or
8 about August 1, 2008.

9 Renaissance failed to submit the Audit Report and Report on Internal Controls. To date,
10 Renaissance has yet to file these reports or pay any of the assessed penalties.

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12 **IV.**

13 California Financial Code section 50327 provides in pertinent part:

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

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22 **V.**

23 The Commissioner finds that, by reason of the foregoing, Renaissance has violated California
24 Financial Code sections 50200, 50307, 50326, 50401 and California Code of Regulations, title 10,
25 section 1950.314.8, and based thereon, grounds exist to revoke Renaissance’s license as a residential
26 mortgage lender and mortgage loan servicer.

27 WHEREFORE, IT IS PRAYED that the residential mortgage lender and mortgage loan
28 servicer license of RENAISSANCE HOME & MORTGAGE, INC. d.b.a. RHM, REVERSE HOME
MORTGAGE OF CALIFORNIA, and RHM of CALIFORNIA be revoked and, pursuant to Financial
Code section 50311, RENAISSANCE HOME & MORTGAGE, INC. d.b.a. RHM, REVERSE

1 HOME MORTGAGE OF CALIFORNIA, and RHM of CALIFORNIA be given a transition period
2 of sixty (60) days within which to complete any loans for which it had prior commitments.

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DATED: September 24, 2008 PRESTON DuFAUCHARD
 Sacramento, CA California Corporations Commissioner

By _____
Marisa I. Urteaga-Watkins
Corporations Counsel