

DEPARTMENT OF BUSINESS OVERSIGHT*Ensuring a Fair and Secure Financial Services Marketplace for all Californians*

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Commissioner of Business Oversight

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**DBO Announces \$1.4 Million-Plus Settlement
with Michigan-Based Mortgage Firm**
United Shore Financial Services to Pay Restitution, Penalties

SACRAMENTO – The Department of Business Oversight (DBO) today announced Michigan-based United Shore Financial Services, LLC will pay more than \$1.4 million in refunds and penalties to resolve allegations the mortgage lender and servicer overcharged thousands of California borrowers for interest.

“I’m pleased we have reached this [agreement](#) with United Shore,” said DBO Commissioner Jan Lynn Owen. “It compensates borrowers for the financial harm they suffered, and requires the firm to continue following improved policies and procedures designed to prevent this from happening again.”

The settlement includes \$293,127 of refunds already provided by United Shore to about 3,400 borrowers. United Shore will pay restitution to additional borrowers based on the results of self-audits required by the settlement that will cover loans made from June 2015 through February 2018.

The settlement also requires United Shore to pay penalties to the DBO – \$1.1 million for the interest overcharges already identified, plus another \$125 for each additional violation identified by the self-audits.

United Shore in 2015 originated 13,063 mortgages in California with a combined principal of \$4.4 billion, according to data in the firm’s annual reports filed with the DBO.

The settlement resolves an enforcement action that grew out of two regulatory examinations conducted by the DBO. Under California law, lenders cannot start charging interest on mortgage loans prior to the business day that immediately precedes the day the loan proceeds are disbursed. United Shore violated that statutory restriction on so-called per diem interest.

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

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