

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation
MARY ANN SMITH
Deputy Commissioner
DANIEL P. O'DONNELL
Assistant Chief Counsel
SEAN ROONEY
Assistant Chief Counsel
JOHNNY O. VUONG (State Bar No. 249570)
Senior Counsel
GALEN YUN (State Bar No. 342023)
Counsel
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
Telephone: (213) 503-4164
Email: Johnny.Vuong@dfpi.ca.gov

Attorneys for Complainant

BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
OF THE STATE OF CALIFORNIA

In the Matter of:)	CRMLA LICENSE NO.: 4130994
)	CFL LICENSE NO.: 6032484
THE COMMISSIONER OF FINANCIAL)	OAH NO. 2025010580
PROTECTION AND INNOVATION,)	
)	
Complainant,)	SETTLEMENT AGREEMENT
)	
v.)	
)	
CALIBER HOME LOANS, INC.)	Hearing Dates: Aug. 25 – 29, 2025
)	Location: Call-In No./ZOOM
Respondent.)	
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1 The Commissioner of Financial Protection and Innovation (Commissioner) of the Department
2 of Financial Protection and Innovation (Department) and Respondent Caliber Home Loans, Inc.
3 (Caliber) enter into this Settlement Agreement with respect to the following facts:

4 **I.**

5 **RECITALS**

6 A. The Commissioner is authorized to administer and enforce the provisions of the
7 California Residential Mortgage Lending Act (CRMLA) (Cal. Fin. Code §§ 50000 – 50706) and the
8 California Financing Law (CFL) (Cal. Fin. Code §§ 22000-22780.1).

9 B. At all relevant times, Caliber Home Loans, Inc. (Caliber) is and was a company
10 licensed as a residential mortgage lender and servicer under the authority of the CRMLA, CRMLA
11 license number 413-0994, beginning on September 21, 2009 and licensed as a finance lender under
12 the authority of the CFL, CFL license number 603-2484, beginning on July 1, 1995, with a business
13 address of 1525 South Belt Line Road, Coppell, TX 75019. Caliber employed mortgage loan
14 originators until approximately 2023.

15 C. In 2016, the Department commenced a regulatory examination of the books and
16 records Caliber (2016 Examination). During the 2016 Examination, the Department found that
17 Caliber:

18 1. Failed to establish a custodial account for borrowers trust funds under
19 Financial Code section 50202;

20 2. Failed to reconcile its escrow liability ledgers to its control account at least
21 once a month in violation of California Code of Regulations, title 10, section 1950.314.1,
22 resulting in debit balances in the trust account in violation of California Code of Regulations,
23 title 10, section 1950.314.6; and

24 3. Overcharged borrowers per diem interest in excess of one day prior to the
25 disbursement of loan proceeds in violation of Civil Code section 2948.5 and Financial Code
26 section 50204 (o).

27 D. Caliber corrected the trust account shortages prior to the closing of the 2016 exam in
28 2018.

1 E. On or about July 16, 2019, the Department directed Caliber to conduct a self-audit
2 regarding per diem interest overcharges for all loans originated from 2012 to July 2019 and, for
3 affected loans, to refund borrowers the amount of overcharge plus interest at a rate of 10% per annum
4 from the date of overcharge.

5 F. The findings of the self-audit reports (Self-Audit Reports) showed that out of the
6 64,749 loans reviewed, up to 4,912 loans were overcharged per diem interest. The overcharges totaled
7 approximately \$550,316.46.

8 G. Pursuant to Financial Code section 50504 (b), and as requested by the Department,
9 Caliber has made refunds totaling \$550,316.46 to the 4,912 loans with 10% interest per annum.

10 H. On or about September 8, 2020, the Department commenced a regulatory examination
11 of Caliber (2020 Examination). The 2020 Examination identified that Caliber charged a total of five
12 (5) borrowers per diem interest in excess of one day prior to disbursement of loan proceeds in
13 violation of Civil Code section 2948.5 and Financial Code section 50204 (o).

14 I. On or about July 19, 2024, the Department issued: (1) Accusation in Support of Notice
15 of Intention to Issue Orders Revoking Licenses and Levying Penalties (Accusation) and accompanying
16 documents; (2) Order to Discontinue Violations Pursuant to California Financial Code section 50321
17 (Order to Discontinue); and (3) Order to Refund Excessive Per Diem Interest Charges Pursuant to
18 Financial Code Section 50504 Subdivision (b) (Per Diem Order) (collectively Administrative Action).

19 J. Caliber filed a Notice of Defense requesting a hearing on the Administrative Action. A
20 trial has been scheduled to be held virtually before the Los Angeles Office of Administrative Hearings
21 on August 25, 2025 and will continue day-to-day until August 29, 2025.

22 K. The Commissioner finds that settlement is appropriate, in the public interest, and
23 consistent with the purposes fairly intended by the policy and provisions of this law.

24 L. It is the intention and desire of the parties to resolve this matter without the necessity of
25 a hearing.

26 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set forth
27 herein, the parties agree as follows:
28

II.**TERMS AND CONDITIONS**

1. Purpose. This Settlement Agreement resolves the issues before the Commissioner set forth in Paragraphs A through J above in a manner that avoids the expense of a hearing and other possible court proceedings, is in the public interest, and is consistent with the purposes, policies, and provisions of the CFL and CRMLA.

2. Payment of Refunds. Caliber affirms that it has refunded per diem interest charged in excess of that permitted under Financial Code section 50204 (o) and Civil Code section 2948.5 for all loans identified in the Self-Audit Reports in Paragraph F as having a per diem interest overcharge, in a total amount of \$550,316.46, including interest at the rate of 10 percent per annum.

3. Payment of Penalties. Caliber agrees to pay administrative penalties in the amount of \$1,800,000.00 for the violations set forth in the Administrative Action by no later than 30 days after the Effective Date of this Settlement Agreement as defined in Paragraph 24 below. The penalty shall be made payable in the form of a cashier's check or Automated Clearing House deposit to the Department of Financial Protection and Innovation and transmitted to the attention of Accounting – Litigation, at the Department of Financial Protection and Innovation, 651 Bannon Street, Suite 300, Sacramento, California 95811. Notice of the payment must be concurrently sent to Johnny O. Vuong via e-mail at: Johnny.Vuong@dfpi.ca.gov.

4. Order Rescinding Order to Discontinue Violations. The Department agrees to rescind the Order to Discontinue Violations, which had been issued on July 19, 2024.

5. Order Rescinding Order to Refund Excessive Per Diem Interest Charges. The Department agrees to rescind the Per Diem Order issued on July 19, 2024.

6. Surrender of CRMLA and CFL Licenses. The Department agrees to accept surrender of Caliber's CRMLA and CFL licenses upon the effective date of this Settlement Agreement as identified in Paragraph 24.

7. Full and Final Settlement. The parties hereby acknowledge and agree that this Settlement Agreement is intended to constitute a full, final, and complete resolution of the Administrative Action, Self-Audit Reports, 2016 Examination and 2020 Examination and that no further proceedings

1 or actions will be brought by the Commissioner under the CRMLA, CFL, or any other provision of
2 law, excepting therefrom (1) any proceeding to enforce compliance with the terms of this Settlement
3 Agreement as specified in paragraph 8 or (2) any proceeding or action based upon discovery of new
4 and further violations of the CRMLA and CFL which do not form the basis for this Settlement
5 Agreement and which were knowingly or willfully concealed from the Commissioner by Caliber.
6 Further, this Settlement Agreement may be revoked, and the Commissioner may pursue all remedies
7 available under law against Caliber if the Commissioner later discovers that Caliber knowingly or
8 willfully withheld information used and relied upon in this Settlement Agreement.

9 8. Failure to Comply with Settlement Agreement. Caliber agrees that if it fails to comply with
10 the terms of this Settlement Agreement, including the payment of penalties as set forth in Paragraph
11 3, the Commissioner may institute proceedings for all violations otherwise resolved over this
12 Settlement Agreement, reinstate the Order to Discontinue and Per Diem Order, rescind approval of
13 the surrender of Caliber's CFL and CRMLA licenses and summarily revoke Caliber's CFL and
14 CRMLA licenses. Caliber waives any notice and hearing rights to contest the reinstated Order to
15 Discontinue and Per Diem Order and summary revocation of Caliber's CFL and CRMLA licenses
16 which may be afforded under the CFL and CRMLA, the California Administrative Procedure Act, the
17 California Code of Civil Procedure, or any other provision of law in connection therewith.

18 9. Commissioner's Duties. Nothing in this Settlement Agreement limits the Commissioner's
19 ability to assist any other government agency (city, county, state, or federal) with any prosecution,
20 administrative, civil or criminal brought by that agency against Caliber or any other person based
21 upon any of the activities alleged in this matter or otherwise.

22 10. Third Party Actions. It is the intent and understanding between the parties that this
23 Settlement Agreement does not create any private rights or remedies against Caliber or create any
24 liability for Caliber or limit defenses of Caliber for any person or entity not a party to this Settlement
25 Agreement.

26 11. Headings. The headings to the paragraphs of this Settlement Agreement are inserted for
27 convenience only and will not be deemed a part hereof or affect the construction or interpretation of
28 the provisions hereof.

1 12. Binding. This Settlement Agreement is binding as to all heirs, assigns, and/or
2 successors in interest.

3 13. Reliance. Each of the parties represents, warrants, and agrees that in executing this
4 Settlement Agreement it has relied solely on the statements set forth herein and the advice of its
5 own counsel. Each of the parties further represents, warrants, and agrees that in executing this
6 Settlement Agreement it has placed no reliance on any statement, representation, or promise of any
7 other party, or any other person or entity not expressly set forth herein, or upon the failure of any
8 party or any other person or entity to make any statement, representation or disclosure of anything
9 whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in
10 any way fraudulently induced to execute this Settlement Agreement; and (2) to preclude the
11 introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this
12 Settlement Agreement.

13 14. No Presumption Against Drafting Party. Each party acknowledges that it has had the
14 opportunity to draft, review, and edit the language of this Settlement Agreement. Accordingly, the
15 parties intend that no presumption for or against the drafting party will apply in construing any part
16 of this Settlement Agreement. The parties waive the benefit of Civil Code section 1654 as amended
17 or corresponding provisions of any successor statute, which provide that in cases of uncertainty,
18 language of a contract should be interpreted most strongly against the party that caused the
19 uncertainty to exist.

20 15. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it has
21 received independent advice from its attorney(s) and/or representatives with respect to the
22 advisability of executing this Settlement Agreement.

23 16. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
24 this Settlement Agreement will be valid or binding unless it is in writing and signed by each of the
25 parties. The waiver of any provision of this Settlement Agreement will not be deemed a waiver of
26 any other provision. No waiver by either party of any breach of, or of compliance with, any
27 condition or provision of this Settlement Agreement by the other party will be considered a waiver
28 of any other condition or provision or of the same condition or provision at another time.

1 17. Full Integration. This Settlement Agreement is the final written expression and the
2 complete and exclusive statement of all the agreements, conditions, promises, representations, and
3 covenants between the parties with respect to the subject matter hereof, and supersedes all prior or
4 contemporaneous agreements, negotiations, representations, understandings, and discussions
5 between and among the parties, their respective representatives, and any other person or entity, with
6 respect to the subject matter covered hereby.

7 18. Governing Law. This Settlement Agreement shall be construed and enforced in
8 accordance with and governed by California law. Each of the parties hereto consents to the
9 jurisdiction of such court in California, administrative or otherwise, best suited to handle any action
10 or proceeding under this Settlement Agreement, and hereby irrevocably waives, to the fullest extent
11 permitted by law, the defense of an inconvenient forum to the maintenance of such action or
12 proceeding in such court.

13 19. Counterparts. This Settlement Agreement may be executed in one or more separate
14 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
15 together constitute a single document.

16 20. Voluntary Agreement. Caliber enters into this Settlement Agreement voluntarily and
17 without coercion and acknowledge that no promises, threats or assurances have been made by the
18 Commissioner or any officer, or agent thereof, about this Settlement Agreement. The parties each
19 represent and acknowledge that he, she or it is executing this Settlement Agreement completely
20 voluntarily and without any duress or undue influence of any kind from any source.

21 21. Notice. Any notice required under this Settlement Agreement shall be provided to each
22 party at the following addresses:

23 To Caliber:

24 Michelle L. Rogers, Esq., Cooley LLP, mrogers@cooley.com;

25 To Commissioner:

26 Johnny O. Vuong, Senior Counsel, Enforcement Division, Department of Financial
27 Protection and Innovation, Johnny.Vuong@dfpi.ca.gov.
28

22. Signatures. A fax or electronic mail signature shall be deemed the same as an original signature.

23. Public Record. Caliber hereby acknowledges that this Settlement Agreement is and will be a matter of public record.

24. Effective Date. This Settlement Agreement shall become final and effective when signed by all parties and delivered by the Commissioner's counsel via e-mail to Caliber at mrogers@cooley.com.

25. Authority to Sign. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Settlement Agreement and undertake the obligations set forth herein.

Dated: August 18, 2025

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation

By _____
SEAN ROONEY
Assistant Chief Counsel
Enforcement Division

Dated: August 13, 2025

CALIBER HOME LOANS, INC.

By _____
MICHELLE L. ROGERS
Cooley LLP
Counsel for Caliber Home Loans, Inc.