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**AB-1446 California Finance Lenders Law: violations.** (2015-2016)

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**Assembly Bill No. 1446**

**CHAPTER 310**

An act to amend Section 22712 of the Financial Code, relating to finance lenders.

[ Approved by Governor September 21, 2015. Filed with Secretary of State September 21, 2015. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 1446, Dababneh. California Finance Lenders Law: violations.

Existing law authorizes the Commissioner of Business Oversight to make general rules and regulations, specific rulings, demands, and findings for enforcement relating to the California Finance Lenders Law. Existing law, if the commissioner has cause to believe that a licensee or any other person is violating the California Finance Lenders Law, authorizes the commissioner to issue an order to the licensee or person to desist and refrain from further violations, as provided.

This bill would additionally authorize, under the same circumstances, the commissioner to issue that order for a violation of any regulation or any other order adopted pursuant to the California Finance Lenders Law.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** Section 22712 of the Financial Code is amended to read:

**22712.** (a) Whenever, in the opinion of the commissioner, any person is engaged in the business as a broker or finance lender, or a mortgage loan originator, as defined in this division, without a license from the commissioner, or any licensee violates any provision of this division, any provision of an order, or any regulation adopted pursuant to this division, the commissioner may order that person or licensee to desist and to refrain from engaging in the business or further continuing that violation. If, within 30 days after the order is served, a written request for a hearing is filed and no hearing is held within 30 days thereafter, the order is rescinded. For purposes of this section, "licensee" includes a mortgage loan originator.

(b) Notwithstanding subdivision (a), if, after an investigation, the commissioner has reasonable grounds to believe that a person is conducting business in an unsafe or injurious manner, the commissioner shall, by written order addressed to that person, direct the discontinuance of the unsafe or injurious practices. The order shall be effective immediately, but shall not become final except in accordance with the provisions of Section 22717.