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**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

In the Matter of the Application for a)	Docket No. 2009-16-07
Mortgage Loan Originator License of:)	
)	ORDER DENYING MORTGAGE
)	LOAN ORIGINATOR LICENSE
RICHARD DALE MILLWARD)	APPLICATION AND NOTICE
)	OF THE OPPORTUNITY FOR
)	A HEARING
)	

The Director of the State of Idaho, Department of Finance (Director), pursuant to the Idaho Residential Mortgage Practices Act, Idaho Code § 26-31-101 *et seq.* (the Act), and in particular §§ 26-31-313(1)(a) and –(b), and 26-31-306(1)(c), of the Act, hereby issues the following Findings of Fact, Conclusions of Law, and Order Denying Mortgage Loan Originator License Application and Notice of the Opportunity for a Hearing (Order).

FINDINGS OF FACT

1. Richard Dale Millward (the Applicant) is an individual who resides at 4212 Edward Drive, Salt Lake City, Utah 84124.
2. On January 1, 2008, the State of Idaho, Department of Finance (Department) began participating in the National Mortgage Licensing System and Registry (NMLSR), a

multistate, automated mortgage licensing system. Under that new system, applicants for mortgage licenses are required to fill out license applications online through the NMLSR. Once the online licensing application is filled out by an applicant, the state mortgage regulator from whom the applicant seeks the issuance of a mortgage license receives notice that an applicant has filled out the online application. Thereafter, communications regarding the information required for licensure and the appropriate timelines for the state mortgage regulator's receipt of the required information are handled online between the applicant and the appropriate state mortgage regulator, which, in the instant matter, is the Department.

3. On September 1, 2009, the Department received notice through the NMLSR that the Applicant had filled out an online application, called a FORM MU4, seeking issuance by the Department of a mortgage loan originator license. Shortly after the Department was notified that the Applicant had filled out such application, the application was reviewed by an employee of the Department's Consumer Finance Bureau. Such employee noted that the Applicant had responded "no" to all questions under the "Regulatory Action" portion of the FORM MU4, to include the following specific questions:

- (a) Question (I)(2): "Has any State or federal regulatory agency or foreign financial regulatory authority ever found you to have been involved in a violation of a financial services-related business regulation(s)?"
- (b) Question (I)(4): "Has any State or federal regulatory agency or foreign financial regulatory authority ever entered an order against you in connection with a financial services-related activity?"
- (c) Question (I)(5): "Has any State or federal regulatory agency or foreign financial regulatory authority ever denied, suspended, or revoked your registration or

license, disciplined you, or otherwise by order prevented you from associating with a financial services-related business or restricted your activities?”

4. “Financial services or financial services related,” as used in questions (I)(2), (I)(4), and (I)(5) on the FORM MU4 as referenced in paragraph 3 above, are defined as follows in written instructions included on that form:

FINANCIAL SERVICES OR FINANCIAL SERVICES RELATED –
Pertaining to securities, commodities, banking, insurance, consumer lending, or real estate (including, but not limited to; acting as or being associated with a bank or savings association, credit union, mortgage lender, mortgage broker, real estate salesperson or agent, closing agent, title company, or escrow agent).

5. Consistent with the Department’s standard practice, the Department employee assigned to review the Applicant’s mortgage loan originator application, as referenced in paragraph 3 above, conducted a search of The Mortgage Asset Research Institute (MARI) database for records included in that database related to the Respondent. The MARI database includes records relating to regulatory actions taken against individuals in the financial industry. It includes, but may not be limited to, records from the Securities and Exchange Commission (SEC); the Financial Industry Regulatory Authority (FINRA), formerly the National Association of Securities Dealers (NASD); the United States Department of Justice (DOJ); state financial regulatory agencies; the Housing and Urban Development (HUD); and the Federal Deposit Insurance Corporation (FDIC).

6. The Department employee’s search of the MARI database resulted in the discovery that on May 16, 2002, a Stipulation and Agreement and Order was entered against the Applicant by the Division of Real Estate of the Department of Commerce of the State of Utah (Utah Order). The Applicant’s signature appears in the “Stipulation” portion of the Utah Order. The Utah Order reflects that the Applicant agreed to suspension of his real estate broker’s license

for twenty-four (24) months and for the imposition of probationary status during that time period, as sanctions, in settlement of two separate cases. The Applicant's violations referenced in the Utah Order that led to such sanctions included: (1) his failure to supervise a real estate sales agent working under the Applicant's real estate broker's license, and, (2) in a separate case, while he acted as a principal broker for a real estate brokerage, his failure to exercise reasonable supervision over a real estate broker and failure to take personal responsibility for a trust account.

CONCLUSIONS OF LAW

7. Paragraphs 1 through 6 above are fully incorporated herein by this reference.

8. Idaho Code § 26-31-305(1) provides that mortgage loan originator license applicants shall apply through the NMLSR in a form prescribed by the Director, and that each form shall include such content as the Director may reasonably require.

9. Idaho Code § 26-31-305(9) provides that an applicant for a mortgage loan originator license under the Act shall make complete disclosure of all information required in the license application.

10. Idaho Code § 26-31-306(1)(c) provides that the Director shall not issue a mortgage loan originator license under the Act unless the Director makes a finding that the applicant has demonstrated financial responsibility, character and general fitness sufficient to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of the Act.

11. Idaho Code § 26-31-313(1)(a) and -(b) provide as follows, in pertinent part:

26-31-313. Enforcement authority, violations and penalties. –

(1) In order to ensure the effective supervision and enforcement of [the Act], the director may, pursuant to chapter 52, title 67, Idaho Code [the Idaho Administrative Procedure Act]:

(a) Deny ... a license for a violation of [the Act];

(b) Deny ... a license if an applicant ... fails at any time to meet the requirements of section 26-31-306, Idaho Code, ... or withholds information or makes a material misstatement in an application for a license

12. The Applicant's "no" answers to questions (I)(2), (I)(4), and (I)(5) on the FORM MU4 as referenced in paragraph 3 above, in view of the existence of the Utah Order, his signature included on the same, and the definition of "financial services or financial services related" included on the FORM MU4, constitute material misstatements in an application for a license, justifying the Director's denial of the Applicant's license application pursuant to Idaho Code § 26-31-313(1)(b).

13. The Applicant's "no" answers to questions (I)(2), (I)(4), and (I)(5) on the FORM MU4 as referenced in paragraph 3 above, which he knew or had reason to know were false, in view of the existence of the Utah Order, his signature included on the same, and the definition of "financial services or financial services related" included on the FORM MU4, demonstrate the Applicant's failure make complete disclosure of all information required in the license application, in violation of Idaho Code § 26-31-305(9), justifying the Director's denial of the Applicant's license application pursuant to Idaho Code § 26-31-313(1)(a).

14. The Applicant's "no" answers to questions (I)(2), (I)(4), and (I)(5) on the FORM MU4 as referenced in paragraph 3 above, which he knew or had reason to know were false, lead the Director to reasonably conclude that the Applicant has failed to demonstrate the character and general fitness sufficient to command the confidence of the community and to warrant a

determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of the Act, as required for the issuance of a mortgage loan originator license under the Act, pursuant to Idaho Code § 26-31-306(1)(c).

15. The substance of the Applicant's violations of Utah real-estate law, as reflected in the Utah Order, lead the Director to reasonably conclude that the Applicant has failed to demonstrate the financial fitness sufficient to command the confidence of the community and to warrant a determination that the Applicant will operate honestly, fairly, and efficiently within the purposes of the Act, as required for the issuance of a mortgage loan originator license, justifying the denial of the Applicant's license application, pursuant to Idaho Code § 26-31-306(1)(c).

16. Each of the conclusions set forth in paragraphs 12 through 15 above constitutes a separate basis for the denial of the Applicant's application for a mortgage loan originator license.

ORDER

NOW, THEREFORE, BASED ON THE FOREGOING FINDINGS OF FACT AND CONCLUSIONS OF LAW, AND PURSUANT TO IDAHO CODE §§ 26-31-305(1) and -(9), 26-31-306(1)(c), 26-31-313(1)(a) and -(b), IT IS HEREBY ORDERED THAT THE APPLICATION FOR A MORTGAGE LOAN ORIGINATOR LICENSE SUBMITTED TO THE DEPARTMENT ON SEPTEMBER 1, 2009 BY RICHARD DALE MILLWARD IS DENIED.

NOTICE

17. The Applicant is HEREBY NOTIFIED that the foregoing ORDER DENYING MORTGAGE LOAN ORIGINATOR LICENSE APPLICATION is a final order of the Director, subject to the Applicant's right to timely file a request for a hearing on the question of his qualifications for a mortgage loan originator license under the Act, pursuant to Idaho Code § 26-

31-305(6)(a). Such request for a hearing must be in writing and submitted to the Department within fifteen (15) days after the service of this Order. A copy of the request for hearing shall be served on Michael Larsen, Consumer Finance Bureau Chief, at the following address:

Michael Larsen
Consumer Finance Bureau Chief
Idaho Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031

A copy of the request for hearing shall also be served on the Department's counsel in this matter,

A. René Martin, Deputy Attorney General, at the following address:

A. René Martin
Deputy Attorney General
Idaho Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031

18. If the Applicant timely files a request for hearing, the Department will notify the Applicant of the date, time and place of the hearing, as well as the name and contact information of the presiding officer.

19. Any hearing and subsequent proceedings in this matter will be conducted in accordance with the Idaho Administrative Procedure Act, Idaho Code § 67-5201 *et seq.*

20. Pursuant to Idaho Code § 26-31-305(6)(b), if a hearing is held, the Applicant shall reimburse, pro rata, the Director for his reasonable and necessary expenses incurred as a result of the hearing.

IT IS SO ORDERED.

DATED this 21st day of September, 2009.



STATE OF IDAHO
DEPARTMENT OF FINANCE

[Signature] FOR GAVIN M. GEE
GAVIN M. GEE, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 21 day of September, 2009, I caused a true and correct copy of the foregoing ORDER DENYING MORTGAGE LOAN ORIGINATOR LICENSE APPLICATION AND NOTICE OF THE OPPORTUNITY FOR A HEARING to be served on the following by the designated means:

Richard Dale Millward
4212 Edward Drive
Salt Lake City, Utah 84124

- U.S. mail, postage prepaid
- Certified mail
- Facsimile
- Hand delivery

[Signature]