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

In re Mortgage Loan Originator
License Application of:

Adam Rho,
NMLS ID No. 354121,

Applicant.

Docket No. 2018-16-06

**NOTICE OF INTENT TO ISSUE
ORDER OF DENIAL OF
MORTGAGE LOAN ORIGINATOR
LICENSE APPLICATION**

AND

**NOTICE OF THE OPPORTUNITY
TO REQUEST A HEARING**

The Director of the 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 §§ 26-31-306(1)(d), 26-31-306(1)(h) and 26-31-313(1)(b) of the Act, hereby issues the following Notice of Intent to Issue Order of Denial of Mortgage Loan Originator License Application and Notice of the Opportunity to Request a Hearing.

Pursuant to Idaho Code § 26-31-305(6), ADAM RHO (the Applicant) has the right to a hearing on the question of his qualifications, but to do so he must make a written request for a hearing within fifteen (15) days after the date of mailing of this Notice. If the written request is

not timely made, the Director shall issue an Order of Denial of Mortgage Loan Originator License Application.

The Notice is based on the following:

MATTERS ASSERTED

1. On October 5, 2018, the Applicant, a resident of the State of California, applied for an Idaho Mortgage Loan Originator license through the National Mortgage Licensing System (NMLS).

2. The application Form MU4, seeks information about an applicant's qualifications to be licensed as a mortgage loan originator. Section 6 of the application form is entitled "Disclosure Questions" and it consists of a series of questions that inquire into an applicant's history regarding financial, criminal, civil judicial and regulatory matters. Pertinent to the Applicant's qualifications are questions (A)(3) and (D). Question (A)(3) asks: "[h]ave you been the subject of a foreclosure action within the past 10 years?" and Question (D) asks: "[d]o you have any unsatisfied judgements or liens against you?"

3. The Applicant responded with a "no" to each of these questions.

4. As with all application reviews, a Department examiner conducted a review assessment of the Applicant using various sources of public information to determine if the applicant demonstrates sufficient financial responsibility, character, and general fitness in order to be licensed as a mortgage loan originator.¹

5. The examiner obtained a public record background information report through LexisNexis and additionally verified the status of the reported actions through official records

¹ Conducted pursuant to Part 3 of the Act titled "The Idaho Secure and Fair Enforcement for Mortgage Licensing Act" (Idaho S.A.F.E. Mortgage Licensing Act), Idaho Code § 26-31-305.

maintained by the California's Orange County Clerk-Recorder's Office and the Superior Court of Orange County California.

6. These records disclosed that the Applicant should have disclosed three actions, a foreclosure, a tax lien and a judgment lien. First, the Applicant's property located at 505 Terra Bella in Irvine, California was foreclosed upon in August of 2009. Second, Asset Acceptance LLC obtained a judgment against the Applicant on December 10, 2012, in the Orange County, California, District Court in the amount of \$10,028.53. Third, the IRS filed a federal tax lien in Orange County, California, on September 20, 2016, against any property owned by the Applicant, based on a tax assessment in the amount of \$45,842.

7. The Applicant affirmatively stated in his application that he did not have any foreclosure actions or any outstanding judgments or liens filed against him. These statements are false.

LEGAL CONCLUSIONS

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

9. Idaho Code § 26-31-304 provides that an individual shall not engage in the business of a mortgage loan originator without first obtaining, and maintaining annually, a license.

10. Idaho Code § 26-31-305(1) provides that an applicant for a mortgage loan originator license must apply through the Nationwide Mortgage License System and Registry (NMLSR), in a form required by the Director.

11. Idaho Code § 26-31-306(1)(d) 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.

12. Pursuant to Idaho Code § 26-31-306(1)(h), before an application for license can be approved, the Applicant must provide all information on the application.

13. Pursuant to Idaho Code § 26-31-313, the Director may deny a license if an applicant withholds information or makes a material misstatement in an application for licensure.

14. The Director finds it appropriate to deny the application because the Applicant's failure to disclose on the Form MU4 the liens and foreclosure action brought against him. The failure to disclose these items shows that the Applicant lacks the appropriate character and 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. Because the Director cannot make the requisite findings under Idaho Code § 26-31-306(1)(d), it is appropriate to deny the Applicant's request for an Idaho mortgage loan originator license, pursuant to Idaho Code § 26-31-313.

15. The Applicant made three material misstatements of fact in his application, which are grounds to deny his application for licensure. He failed to disclose a foreclosure, a judgment lien and a tax lien. The failure to disclose these items prohibit the Director from issuing a license to the Applicant pursuant to Idaho Code § 26-31-306(1)(h).

NOTICE OF THE OPPORTUNITY TO REQUEST A HEARING

16. The Applicant is HEREBY NOTIFIED that the foregoing NOTICE OF INTENT TO ISSUE ORDER OF DENIAL OF MORTGAGE LOAN ORIGINATOR APPLICATION will become a final order of the Director, unless the Applicant timely submits a request for hearing 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 NOTICE. A copy of the request for contested case and hearing shall be served on Anthony Polidori, Consumer Finance Bureau Chief, at the following address:

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

A copy of the request for contested case and hearing shall also be served on the Department's counsel in this matter, Brian D. Nicholas, Deputy Attorney General, at the same address.

17. If the Applicant timely requests a 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.

18. 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.*

DATED this 26TH day of OCTOBER, 2018.



STATE OF IDAHO
DEPARTMENT OF FINANCE



GAVIN M. GEE, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 26th day of October, 2018, I caused a true and correct fully-executed copy of the foregoing NOTICE OF INTENT TO ISSUE ORDER OF DENIAL OF MORTGAGE LOAN ORIGINATOR LICENSE APPLICATION AND NOTICE OF THE OPPORTUNITY TO REQUEST A HEARING to be served on the following by the designated means:

Adam Rho
226 Silk Tree
Irvine, CA 92606

- U.S. mail, postage prepaid
- certified mail
- facsimile _____
- email: adam.rho@solmortgage.com



Paralegal