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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:

APRIL LYN ISOM,
NMLS ID No. 8317,

Applicant.

Docket No. 2018-16-04

**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 §§ 26-31-313(1)(b), 26-31-306(1)(d) and 26-31-306(1)(h), 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), APRIL LYN ISOM (the Applicant) has the right to a hearing on the question of her qualifications, but to do so she 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 September 26, 2018, the Applicant, a current resident of the State of Idaho, 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 the following questions: (A)(1) "Have you filed a personal bankruptcy petition within the past 10 years?" and (A)(3) "Have you been the subject of a foreclosure action within the past 10 years?"

3. The Applicant responded with a "yes" to both questions and provided responses to those affirmative answers in the Disclosure Explanations section of the application.

4. Regarding question (A)(1), the Applicant explained that she did file for bankruptcy in May 2011 and gave a brief response as to why she filed. As for the other question, (A)(3), the Applicant responded that "This Foreclosure was property that was included in with the Chapter 7 Bankruptcy. I was not able to keep up with the payments..." The Applicant did not provide any identifying information as to the single foreclosed upon property that she referenced in her disclosure explanation.

5. 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

6. The examiner obtained a public record background information report through LexisNexis and a Case Summary report regarding the bankruptcy from PACER.

7. These records revealed that the Applicant gave a misleading response regarding the foreclosure question because she had actually been the subject of four foreclosure actions within the last 10 years instead of just one. First, the Applicant's property located at 309 W. River Drive in Eagle, Idaho was sold at a foreclosure sale on January 21, 2010, to PNC Mortgage. Second, the Applicant's property located at 10558 N. Bridle Way was sold at a foreclosure sale on November 1, 2011, to Wells Fargo Bank. Third, the Applicant's property located at 26 Waterline Lane in Cascade, Idaho was sold at a foreclosure sale to Bradley A. Parsons on July 31, 2014. Fourth, the Applicant's property located at 1446 Evening Song Ave. in Henderson, Nevada was sold at a foreclosure sale to Federal Home Loan Mortgage Corp and the trustee's deed was recorded on April 8, 2015.

8. The Applicant filed a Chapter 7 bankruptcy petition on May 27, 2011, in United States Bankruptcy Court for the District of Nevada. There was a foreclosure action taken against the Applicant before she filed bankruptcy and there were two more foreclosure actions taken against her after the filing.

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.

9. The Applicant made a material misstatement in her application by stating that she had been the subject of just one foreclosure action within the last 10 years, when she had actually been the subject of four foreclosures.

LEGAL CONCLUSIONS

10. Paragraphs 1 through 9 above are fully incorporated herein by this reference.

11. 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.

12. 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.

13. 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.

14. 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. Financial matters, such as foreclosure actions, could lead to the Director to conclude that an Applicant lacks the necessary financial responsibility, character and general fitness to be granted a license.

15. 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.

16. The Applicant made a material misstatement of fact in her application, which is grounds to deny his application for licensure. She indicated that there was only one foreclosure

action of record in the last 10 years with respect to any property she owned. However, as described in above, the Applicant had four parcels of property she owned foreclosed upon. This material misstatement by the Applicant prohibits the Director from issuing a license to the Applicant pursuant to Idaho Code § 26-31-306(1)(h).

17. The Director finds it appropriate to deny the application because the Applicant's failure to disclose on the Form MU4 the foreclosure actions demonstrates that the Applicant lacks the appropriate character and fitness sufficient to command the confidence of the community and to warrant a determination that the she, as a 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.

NOTICE OF THE OPPORTUNITY TO REQUEST A HEARING

18. 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.

18. 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.

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. Alternatively, the Applicant can withdraw the application she submitted on September 26, 2018. If the Applicant withdraws the application before the deadline to submit a request for a hearing, the Department will not issue a Final Order of Denial of Mortgage Loan Originator License Application. The Applicant can then submit a new complete application, which will be reviewed by the Department.

DATED this 11th day of December, 2018.



STATE OF IDAHO
DEPARTMENT OF FINANCE


GAVIN M. GEE, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 17th day of December, 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:

April Lyn Isom
5304 W Bainbridge Dr.
Boise, ID 89703

- U.S. mail, postage prepaid
- certified mail
- facsimile
- email: apisom@financeofamerica.com

Paralegal