

LAWRENCE WASDEN
Attorney General

BRIAN D. NICHOLAS – I.S.B. #3585
Deputy Attorney General
State of Idaho
Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031
Telephone: (208) 332-8092
Facsimile: (208) 332-8016
brian.nicholas@finance.idaho.gov

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

In re Mortgage Loan Originator
License Application of:

Dallas Kerrick Isom,
NMLS ID No. 249246,

Applicant.

Docket No. 2018-16-05

**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), DALLAS KERRICK ISOM (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 September 26, 2018, the Applicant, a resident of the State of Nevada, applied for an Idaho Mortgage Loan Originator license through the Nationwide Multistate 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)(2) and (A)(3), which read, respectively, "Have you filed a personal bankruptcy petition or been the subject of an involuntary bankruptcy petition within the last 10 years?" and "Have you been the subject of a foreclosure action within the past 10 years?"

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

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.

5. The examiner obtained a public record background information report through LexisNexis and additionally verified the status of the reported actions through official records maintained by the Ada County Clerk-Recorder's Office in Idaho and the Nevada Bankruptcy Court records as maintained by Pacer.

6. These records disclosed that the Applicant should have disclosed two actions, a foreclosure and a bankruptcy filing. First, the Applicant's property located at 2268 E. Wigle was foreclosed upon and sold in December, 2010. The Notice of Sale was recorded in the Ada County Records on December 15, 2010. Second the Applicant filed a Chapter 13 bankruptcy petition on August 2, 2012, in Nevada. The case was dismissed on March 6, 2013.

7. The Applicant affirmatively stated in his application that he did not have any foreclosure actions filed against him and that he had not filed bankruptcy. 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. 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.

12. 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.

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 Applicant made a material misstatement of fact in his application, which is grounds to deny his application for licensure. He indicated that he did not have any property foreclosed upon and he had not filed a bankruptcy petition. The failure to disclose these items prohibits the Director from issuing a license to the Applicant pursuant to Idaho Code § 26-31-306(1)(h).

15. The Director finds it appropriate to deny the application because the Applicant's failure to disclose on the Form MU4 the foreclosure action and the bankruptcy filing 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.

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 Michael Larsen, 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 15TH day of NOVEMBER, 2018.



STATE OF IDAHO
DEPARTMENT OF FINANCE

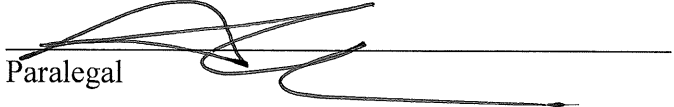

GAVIN M. GEE, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 15th day of November, 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:

Dallas Kerrick Isom
7817 Askew Pl
Las Vegas, NV 89166

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



Paralegal