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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:

ALAN SHANE HURD,  
NMLS ID No. 80956,

Applicant.

Docket No. 2019-16-49

**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) and (h) and 26-31-313(1)(a) and (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 (Notice).

Pursuant to Idaho Code § 26-31-305(6), ALAN SHANE HURD (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 a Final Order of Denial of Mortgage Loan Originator License Application. Alternatively, the Applicant may withdraw the application prior to the expiration of the time within which to request a hearing.

The Notice is based on the following:

**MATTERS ASSERTED**

1. The Applicant, a resident of the state of Washington, holds NMLS number 80956 and applied for an Idaho Mortgage Loan Originator license by filing a Form MU4 through the online Nationwide Mortgage Licensing System and Registry (NMLSR) on October 8, 2019.

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. (A)(3) inquiring: "Have you been the subject of a foreclosure action within the past 10 years?" and
- b. (K)(2) and (K)(9) inquiring: "Has any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization (SRO) ever:" ... "(2) found you to have been involved in a violation of a financial services-related business

regulation(s) or statute(s)? ... (9) entered an order concerning you in connection with any license or registration?”

3. The Applicant responded with a “no” response to questions (A)(3), (K)(2), and (K)(9).

4. Consistent with normal practice, a Department examiner conducted an 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.<sup>1</sup>

5. The examiner obtained a public record background information report through LexisNexis. This report reflected a Notice of Default recorded in Spokane County, Washington on June 23, 2010, identifying the Applicant as an owner. The report also noted a Notice of Default recorded August 4, 2015 also in Spokane County, Washington.

6. Following the background report, the examiner also obtained a copy of a Temporary Order to Cease and Desist dated May 27, 2014, from the State of Washington Department of Financial Institutions Consumer Services Division against the Applicant and one other party in Case No. C-13-1342-14-TD01 for failure to respond to an administrative subpoena. The examiner also obtained a copy of an Order Withdrawing Temporary Order to Cease and Desist in Case No. C-13-1342-14-FO01 dated June 10, 2014. Finally the examiner obtained a copy of a Consent Order from the State of Washington Department of Financial Institutions Division of Consumer Services against the Applicant and one other party in Case No. C-13-1342-15-CO01.

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<sup>1</sup> 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 § 26-31-306.

7. The failure to disclose the above-described foreclosures and regulatory actions is a relevant omission in the Applicant's responses to the Form MU4 application disclosure questions (A)(3), (K)(2), and (K)(9).

#### **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 Licensing 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, an applicant must provide all information on the application as required per Idaho Code § 26-31-305. Idaho Code § 26-31-305(10) further provides that an applicant shall make complete disclosure of all information as set forth in 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 an 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(1)(b), the Director may deny a license if an applicant withholds information or makes a material misstatement in an application for a license.

14. The Applicant made material misstatements of fact in his application, which are grounds to deny his application for licensure. He failed to disclose regulatory orders from the Washington Department of Financial Institutions and that he had foreclosure actions in Washington in 2010 and into 2015. The failure to disclose the foreclosures and regulatory orders 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 foreclosures and regulatory orders 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 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(1).

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

16. The Applicant is HEREBY NOTIFIED that unless he timely submit a request for hearing pursuant to Idaho Code § 26-31-305(6)(a), his mortgage loan originator license application will be denied. 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:

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

Alternatively, the Applicant may email the request for hearing to: [CFLegal@finance.idaho.gov](mailto:CFLegal@finance.idaho.gov).

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.

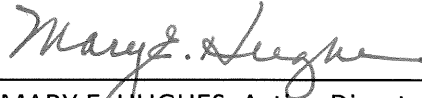
18. Any hearing and subsequent proceedings in this matter will be conducted in accordance with the Idaho Administrative Procedure Act, Idaho Code § 67-5201 *et seq.* and the Idaho Rules of Administrative Procedure (IDAPA 04.11.01).

19. Alternatively, the Applicant can withdraw the application he submitted on October 8, 2019. If the Applicant withdraws the application via the NMLSR 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 5<sup>th</sup> day of November, 2019.



STATE OF IDAHO  
DEPARTMENT OF FINANCE

  
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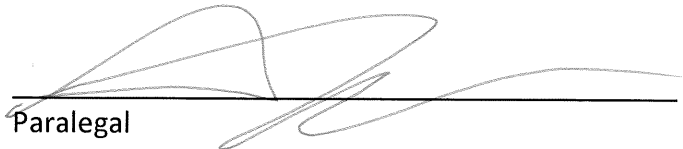
MARY E. HUGHES, Acting Director

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 5<sup>th</sup> day of November, 2019, 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:

Alan Shane Hurd  
11814 N. Hemlock St.  
Spokane, WA 99218

- U.S. mail, postage prepaid
- certified mail
- facsimile \_\_\_\_\_
- email: ahurd@pacificmortgagecenter.com

  
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Paralegal