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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:

JAY HOON CHOE,
NMLS ID No. 988221,

Applicant.

Docket No. 2018-16-11

**NOTICE OF INTENT TO ISSUE
ORDER OF DENIAL OF
MORTGAGE LOAN ORIGINATOR
LICENSE RENEWAL
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 Renewal Application and Notice of the Opportunity to Request a Hearing.

Pursuant to Idaho Code § 26-31-305(6), JAY HOON CHOE (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. The Applicant, a resident of the State of California, originally applied for an Idaho Mortgage Loan Originator license by filing a Form MU4 through the online Nationwide Multistate Licensing System (NMLS) on April 27, 2018. He received an Idaho license on June 20, 2018.

2. The original application Form MU4 submitted by the Applicant on April 27, 2018, sought information about his qualifications to be licensed as a mortgage loan originator. The application form contained a section labeled “Disclosure Questions” and consisted of a series of questions that inquired into his history regarding financial, criminal, civil judicial and regulatory matters. Pertinent to the Applicant’s qualifications was question (A)(1), which asked “Have you filed a personal bankruptcy petition or been the subject of an involuntary bankruptcy petition within the last 10 years?” The Applicant responded with a “no” to this question.

3. As with all application reviews, 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 and .¹ The examiner concluded that the Applicant met the criteria to be licensed as an Idaho mortgage loan originator.

4. On November 15, 2018, the Applicant, applied for a renewal of his Idaho Mortgage Loan Originator license through the NMLS.

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 loan originator license renewal process simply requires applicants to submit an affirmation stating there have been no changes to their originally filed Form MU4. This affirmation contains the following language: "...to the best of my knowledge and belief the information contained in my online record, including jurisdiction specific requirements where I am licensed or registered, is true, accurate and complete in accordance with the appropriate jurisdiction's law. Additionally, I acknowledge that I have a duty and agree to expediently update and correct the information as it changes." The affirmation further states that "I understand that submitting any false or misleading information, or omitting pertinent or material information, may be grounds for administrative action and/or criminal action."

6. Specifically, for item #5 of the affirmation, the Applicant must attest that he has "updated the documents on file with the jurisdiction(s) to disclose any new event or proceeding requiring an affirmative answer to any Disclosure Question which has occurred since submission of [his] license/registration application or renewal application to the applicable jurisdiction(s)."

7. The Applicant attested to the above language by affirming on November 15, 2018, that no changes requiring disclosure had occurred since his originally filed Form MU4.

8. As with all renewal application reviews, a Department examiner conducted another assessment of the Applicant using the same various sources of public information as the original application review.

9. The examiner reviewed the Applicant's credit report, which revealed that the Applicant had filed for bankruptcy in August 15, 2018, and then obtained a Case Summary through PACER that verified the status of the Applicant's bankruptcy filing through official records maintained by the United States Bankruptcy Court for the Central District of California. The Applicant is currently awaiting a Chapter 7 discharge.

10. The examiner determined that the Applicant had failed, as required, to update/correct his online record in the NMLS to reflect the bankruptcy the Applicant filed on August 15, 2018, thus rendering the Applicant's affirmation on this renewal application false.

LEGAL CONCLUSIONS

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

12. 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.

13. Idaho Code § 26-31-305(1) provides that an applicant for a license shall apply through the NMLS in a form prescribed by the Director and that "Each form shall include such content as the director may reasonably require," and "*shall be updated as necessary to keep the information current...*" (Emphasis added.)

14. Idaho Code § 26-31-309(c) provides that a licensee shall file through the NMLSR, on or before December 31 of each year, a renewal application containing such information as the director may require.

15. 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.

16. 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.

17. 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.

18. The Director finds it appropriate to deny the renewal application because the Applicant failed to update his online record to disclose the bankruptcy he filed on August 15, 2018. The failure to disclose the bankruptcy and falsely affirm that there were no changes to his original Form MU4 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 a renewal of his Idaho mortgage loan originator license, pursuant to Idaho Code § 26-31-313.

19. The Applicant did not update his Form MU4 information regarding the bankruptcy and he submitted a false affirmation in his renewal application. Both of these 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

20. 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.

21. 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.

22. 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 28th day of NOVEMBER, 2018.



STATE OF IDAHO
DEPARTMENT OF FINANCE



GAVIN M. GEE, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 28th 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 RENEWAL APPLICATION AND NOTICE OF THE OPPORTUNITY TO REQUEST A HEARING to be served on the following by the designated means:

Jay Hoon Choe
301 Tall Oak
Irvine, CA 92603

- U.S. mail, postage prepaid
- certified mail
- facsimile _____
- email: Jay.Cho@mrcooper.com

Paralegal