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

In re Mortgage Loan Originator
License Renewal Application of:

DANIEL HERBERT TIMPSON,
NMLS ID No. 69688,

Applicant.

Docket No. 2020-16- 68

**NOTICE OF INTENT AND OPPORTUNITY TO
REQUEST A HEARING**

The Idaho Department of Finance, Consumer Finance Bureau (Department), 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 this Notice of Intent and Opportunity to Request a Hearing (Notice). The Department intends to seek an order denying the mortgage loan originator license application submitted by DANIEL HERBERT TIMPSON (the Applicant) to the Department.

Pursuant to Idaho Code § 26-31-305(6), 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 Department staff intends to ask the Director to issue an 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 and thereby prevent an order of denial from being entered.

The Notice is based on the following:

MATTERS ASSERTED

1. The Applicant, a resident of the state of Arizona, holds NMLS number 69688 and applied for an Idaho Mortgage Loan Originator (MLO) license by filing an individual Form MU4 through the online Nationwide Mortgage Licensing System and Registry (NMLSR or NMLS). This application was submitted and attested to by the Applicant on September 9, 2020.

2. The application Form MU4 seeks information about an individual applicant's qualifications to be licensed as a mortgage loan originator. A section of the application is entitled "Disclosure Questions" and consists of a series of questions that inquire into an applicant's history regarding financial, criminal, civil, judicial and regulatory matters.

3. Pertinent to the Applicant's qualifications are questions under section (K) "Has any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization (SRO) ever:

- a. (2) found you to have been involved in a violation of a financial services-related business regulation(s) or statutes(s)?
- b. (4) entered an order against you in connection with a financial services-related activity?"

4. The Applicant responded with "no" responses to questions (K)(2), and (4).

5. 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.¹

6. The examiner reviewed all information concerning the Applicant available online through the NMLS, which showed that the Applicant had entered into a regulatory consent order with the State of Washington, Department of Financial Institutions, Division of Consumer Services for (WDFI) conducting unlicensed mortgage loan origination business with the expectation of compensation. Following this, the examiner obtained a copy of the Consent Order, which was signed by the Applicant on July 7, 2010, as well as a copy of the underlying Statement of Charges and Notice of Intention to Enter and Order to Revoke License, Prohibit from Industry, Impose Fine, and Collect Investigation Fee, which was issued by WDFI on June 21, 2010. Under the terms of the Consent Order, the Applicant agreed to pay a fine and fees.

7. The Applicant's failure to acknowledge and provide details of the WDFI regulatory action described above constitutes a material omission.

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.

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 § 26-31-306.

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 of the Idaho Department of Finance (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 a material misstatement of fact in his application, which is grounds to deny his application for licensure. He answered a question inaccurately and also failed to disclose the existence of the Washington Department of Financial Institutions regulatory action that was taken against the Applicant through the Statement of Charges and Notice of Intention to Enter and Order to Revoke License, Prohibit from Industry, Impose Fine, and Collect Investigation Fee and subsequent Consent Order. The incorrect answer and failure to disclose this regulatory action prohibits the Director from issuing a license to the Applicant pursuant to Idaho Code § 26-31-306(1)(h).

15. The Department intends to present this Notice as a basis for the Director to find it appropriate to deny the Applicant's application because the Applicant's failure to disclose on the Form MU4 the Washington regulatory action 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 Applicant will operate honestly, fairly, and efficiently within the purposes of the Act. Therefore the Director cannot make the requisite findings under Idaho Code § 26-31-306(1)(d), and 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 the foregoing Notice will result in the Department presenting and requesting a final order of the Director denying the license application, 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 the Department's Consumer Finance Bureau Chief, at the following address:

Erin Van Engelen
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.

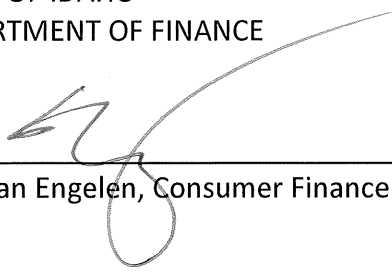
17. If the Applicant timely requests a hearing, the Director of the Department, or a Hearing Officer acting on the Director's behalf, will notify the Applicant of the date, time and place of the hearing, as well as the name and contact information of the presiding officer.

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 his application originally submitted on September 9, 2020. If the Applicant withdraws the application before the deadline to submit a request for a hearing, the Department will not seek to have the Director issue a final order denying the mortgage loan originator license application. The Applicant can then submit a new complete application, which will be reviewed by the Department.

DATED this 8th day of December 2020.

STATE OF IDAHO
DEPARTMENT OF FINANCE



Erin Van Engelen, Consumer Finance Bureau Chief

DATED this 9th day of December 2020.

OFFICE OF ATTORNEY GENERAL



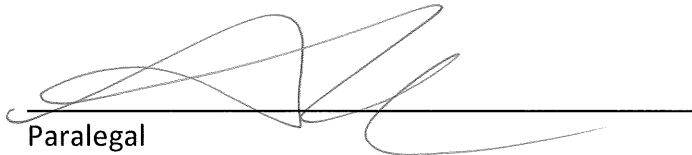
Thomas A. Donovan, Deputy Attorney General

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 9th day of December 2020, I caused a true and correct fully-executed copy of the foregoing NOTICE OF INTENT AND OPPORTUNITY TO REQUEST A HEARING to be served on the following by the designated means:

Daniel Herbert Timpson
PO Box 904
Centennial Park, AZ 86021

- U.S. mail, postage prepaid
- certified mail
- facsimile _____
- email: dantimpson@villagecapital.com


Paralegal