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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. 2021-16-63

**ORDER DENYING MORTGAGE LOAN
ORIGINATOR LICENSE APPLICATION AND
NOTICE OF THE OPPORTUNITY TO
REQUEST A HEARING**

The Director of the State of 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 Findings of Fact, Conclusions of Law, and Order Denying Mortgage Loan Originator License Application, and Notice of the Opportunity for a Hearing (Order).

FINDINGS OF FACT

1. The Applicant, DANIEL HERBERT TIMPSON, 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 attested to and submitted by the Applicant on May 24, 2021.

2. The Applicant had previously attested to and submitted a Form MU4 to the Department on September 9, 2020. A Final Order Denying Mortgage Loan Originator License Application (Denial Order) was issued by the Department against the Applicant on January 12, 2021, effectively denying the Applicant's September 9, 2020, application for failing to disclose required information pertaining to a regulatory action that had been taken against the Applicant.

3. 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 under section (K) "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 statutes(s)?

...

(4) entered an order against you in connection with a financial services-related activity?

...

(6) denied or suspended your registration or license or application for licensure, disciplined you...

4. The Applicant responded in his May 24, 2021 MU4 application with "no" responses to questions (K)(2), (4), and (6) as he had done in the September 9, 2020 MU4 application.

5. Consistent with normal practice, a Department examiner conducted an assessment of the Applicant using various sources of information, including the Applicant's NMLS record, to

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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 (WDFI), for conducting unlicensed mortgage loan origination business with the expectation of compensation. Because the Department examiner previously reviewed the Applicant's September 9, 2020, Form MU4 application referenced above, the examiner had already obtained a copy of the WDFI 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. Included in the Applicant's NMLS record was also information pertaining to the Denial Order that was issued by the Department against the Applicant in January 2021 as a result of the Applicant not disclosing the WDFI regulatory action in his September 9, 2020, application.

8. The Applicant's negative responses to the Form MU4 application disclosure questions (K)(2), (4), and (6) are material misrepresentations, and the Applicant's failure to provide the details of the WDFI and the Department regulatory actions described above constitutes a material omission.

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.

9. On September 21, 2021 the Department provided the Applicant notice of an intent to deny the application within approximately one month based on the information set forth above unless the Applicant was able to provide documentation to satisfy the Department that disclosure of the regulatory actions was not required. The notice alternatively provided the Applicant the opportunity to withdraw the application. The Applicant failed to provide the requisite documentation or withdraw the application by the stated deadline.

FINDINGS AND CONCLUSIONS OF LAW

10. The allegations set forth in 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 Licensing System (NMLS), in a form required by the Director of the Idaho Department of Finance (Director).

13. 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.

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 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.

15. 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.

16. The Applicant failed to affirmatively answer disclosure questions (K)(2), (4), and (6) to reflect the WDFI's and the Department's enforcement actions against him as required by Idaho Code § 26-31-305(1). This justifies the Director denying the Applicant's mortgage loan originator license pursuant to Idaho Code § 26-31-306(1)(d) and (h) and § 26-31-313(1)(b).

17. The Director finds it appropriate to deny the application because the Applicant's failure to provide complete and accurate information on the Form MU4 regarding the WDFI's and the Department's enforcement 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 mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of the Act and demonstrate a failure to provide complete information in the application as required by Idaho Code § 26-31-305. Because the Director cannot make the requisite findings under Idaho Code § 26-31-306(1)(d) and (h), it is appropriate to deny the Applicant's request for an Idaho mortgage loan originator license, pursuant to Idaho Code § 26-31-313(1).

ORDER

NOW, THEREFORE, BASED ON THE FOREGOING FINDINGS OF FACT AND CONCLUSIONS OF LAW, AND PURSUANT TO IDAHO CODE §§ 26-31-313(1)(a) and (b), IT IS ORDERED THAT THE

APPLICATION FOR A MORTGAGE LOAN ORIGINATOR LICENSE APPLICATION ATTESTED TO AND SUBMITTED BY DANIEL HERBERT TIMPSON, NMLS #69688, ON MAY 24, 2021, IS HEREBY DENIED.

NOTICE OF THE OPPORTUNITY TO REQUEST A HEARING

18. The Applicant is HEREBY NOTIFIED that the foregoing ORDER DENYING MORTGAGE LOAN ORIGINATOR LICENSE APPLICATION is a final order of the Director denying the license application, subject to the Applicant's right to timely file a request for a hearing on the question of his qualifications for a mortgage loan originator license under the Act, 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 Order. A copy of the request for hearing shall be served on the following:

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.

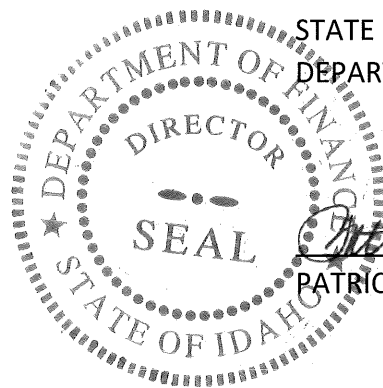
19. If the Applicant timely requests a hearing, the Director of the Department, or a Hearing Officer acting on the Director's behalf, will notify the Applicant of the date, time and place of the hearing, as well as the name and contact information of the presiding officer.

20. 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).


21. Pursuant to Idaho Code § 26-31-305(6), if a hearing is held, the Applicant shall reimburse, pro rata, the Director for his reasonable and necessary expenses incurred as a result of the hearing.

IT IS SO ORDERED.

DATED this 3rd day of November 2021.



STATE OF IDAHO
DEPARTMENT OF FINANCE



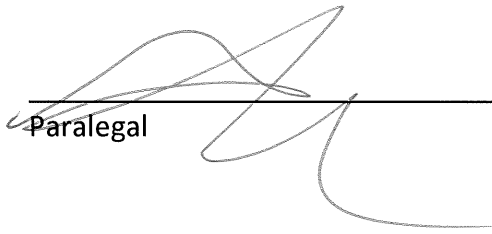
PATRICIA R. PERKINS, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 3rd day of November 2021, I caused a true and correct fully-executed copy of the foregoing ORDER DENYING MORTGAGE LOAN ORIGINATOR LICENSE APPLICATION AND NOTICE OF THE OPPORTUNITY FOR 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