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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:

DARRELL EUGENE STEPHENS,  
NMLS ID No. 1628851,

Applicant.

Docket No. 2022-16-29

**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, Darrell Eugene Stephens, a resident of the state of Georgia, 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), a.k.a. Nationwide

Multistate Licensing System (NMLS) under NMLS number 1628851. This application was attested to by the Applicant on January 3, 2022, and submitted on the same date by Karlene Dunkley of PHH Mortgage Corporation.

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 is question "(D) Do you have any unsatisfied judgments or liens against you?" The applicant responded, "no" to this question.

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, which showed that the Applicant has a State of Georgia tax lien entered against him. Following this, the examiner obtained a copy of a State Tax Execution, Execution Number REV 180854802. This tax lien was issued against the Applicant by the State of Georgia, Georgia Department of Revenue on October 25, 2018, for \$1,656.79 for tax year 2017. It was recorded with the Cobb County, Georgia, Clerk of Superior Court on January 2, 2019, under Lien Book 124 Page 4089, Document No. 2019-0000501

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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.

6. The Department has no evidence indicating that the tax lien described above has been satisfied and/or released.

7. The Applicant's negative response to the Form MU4 application disclosure question (D) is a material misrepresentation, and the failure to provide the details of the Georgia tax lien described above that was still outstanding as of the date of the application constitutes a material omission.

8. On April 29, 2022, 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 the noted item had been resolved and that disclosure 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**

9. The allegations set forth in paragraphs 1 through 8 above are fully incorporated herein by this reference.

10. 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.

11. Idaho Code § 26-31-305(1) provides that an applicant for a mortgage loan originator license must apply through the NMLSR in a form required by the Director of the Idaho Department of Finance (Director).

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 § 26-31-306(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. Pursuant to Idaho Code § 26-31-313(1)(a) and (b), the Director may deny a license if an applicant violates the Act and/or withholds information or makes a material misstatement in an application for a license.

15. 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 failed to disclose the tax lien. The false answer to disclosure question (D) and failure to disclose the tax lien prohibits the Director from issuing a license to the Applicant pursuant to Idaho Code § 26-31-306(1)(d) and (h) and § 26-31-313(1)(a) and (b).

16. The Director finds it appropriate to deny the application because the Applicant's failure to provide complete information on the Form MU4 regarding the tax lien 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).

**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 HEREBY ORDERED THAT THE APPLICATION FOR A MORTGAGE LOAN ORIGINATOR LICENSE APPLICATION ATTESTED TO AND SUBMITTED BY DARRELL EUGENE STEPHENS, NMLS #1628851, AND SUBMITTED ON MR. STEPHEN'S BEHALF ON THE SAME DATE BY KARLENE DUNKLEY OF PHH MORTGAGE CORPORATION IS DENIED.**

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

17. 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:

Attn: Lisa Baker  
Assistant to the Director  
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:

Erick M. Shaner  
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).

18. 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 further steps including the date, time, and place of the hearing.

19. 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).

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

**IT IS SO ORDERED.**

DATED this 29<sup>th</sup> day of June 2022.



STATE OF IDAHO  
DEPARTMENT OF FINANCE

A handwritten signature in cursive script, appearing to read "Patricia R. Perkins", written over a horizontal line.

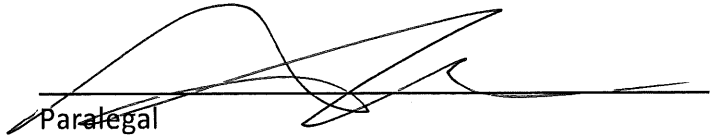
PATRICIA R. PERKINS, Director

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 29<sup>th</sup> day of June 2022, 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:

Darrell Eugene Stephens  
6635 Mableton Parkway SE  
Mableton, GA 30126

U.S. mail, postage prepaid  
 certified mail  
 facsimile \_\_\_\_\_  
 email: darrellstephens@loandepot.com  
Darrell.Stephens@mortgagefamily.com

  
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Paralegal