

LAWRENCE WASDEN
Attorney General

BRIAN D. NICHOLAS – I.S.B. #3585
Deputy Attorney General
State of Idaho
Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031
Telephone: (208) 332-8092
Facsimile: (208) 332-8016
brian.nicholas@finance.idaho.gov

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

In re Mortgage Loan Originator
License of:

DANIEL LANE FULLMER,
NMLS ID No. 37010; MLO No - 3709,

Licensee.

Docket No. 2017-16-02

CONSENT ORDER

The State of Idaho, Department of Finance, Consumer Finance Bureau (Department) has reviewed the licensing status of DANIEL LANE FULLMER, (the Licensee), and has concluded therefrom that the Licensee has engaged in violations of the Idaho Residential Mortgage Practices Act, Idaho Code § 26-31-101 *et seq.* (the Act); in particular §§ 26-31-313(1)(c) and 26-31-317(8); applicable rules pursuant to the Act and Regulation Z, 12 CFR § 1026.42 (Reg. Z) (which is incorporated into the Idaho Rules). The Director and the Licensee have agreed to resolve this matter through the entry of this Consent Order, in lieu of a formal administrative proceeding or a civil enforcement lawsuit. The Director deems it appropriate and in the public interest to enter into this Consent Order, and the Licensee voluntarily consents to its entry.

FACTS

1. At all times relevant herein, the Licensee was licensed by the Idaho Department of Finance (Department) to engage in mortgage loan origination activities in Idaho and was employed as a Branch Manager and Qualified Person in Charge (QPIC) for Mann Mortgage, LLC (Mann), which is licensed by the Department to conduct mortgage brokering/lending activities in Idaho.

2. On September 28, 2016, the Department received an email from a real-estate appraiser regarding contact he had with the Licensee. The Licensee had sent an email to the appraiser in which the Licensee asked the appraiser to “remember to have a team member reach out to me on refinances to see rough value we are shooting for.”

3. Department Examiners reviewed the email from the Licensee to the appraiser and concluded that the Licensee had violated the Act and Reg. Z by attempting to influence the appraiser’s valuation of properties in cases where Mann mortgage was processing residential mortgage loan applications. The Act and Regulation Z, 12 CFR § 1026.42 (Reg. Z), prohibit mortgage loan originators from this type of conduct in connection with completing residential mortgage loan transactions.

4. During an on-site examination of Mann in December 2016, a Department Examiner discussed the issue of the Licensee’s email to the appraiser with Mann’s Director of Compliance/Risk Management, Justin Flake. Flake indicated that Mann was made aware of the Licensee’s email to the appraiser and had advised the Licensee that it was a violation.

5. On December 6, 2016, the Department requested copies of all emails of Mann’s staff for the previous six months from the branch site where the Licensee was a Branch Manager.

6. In a letter of explanation authored by Flake, which was forwarded to the Department from Mann on December 8, 2016, Flake indicated that he had discussed the matter with the Licensee on September 28, 2016, and the Licensee indicated to Flake that he understood Mann's policy against such conduct and that he would not do it again. Flake also stated that the Licensee's "offense was serious, however, it was the first time [the Licensee] had any violation" of Mann's policy against such conduct. The letter went on further to state that it could find no other evidence of its other loan originators or branch managers conducting the same violation and that Flake and Mann considered the issue an isolated incident and had closed the matter.

7. On December 19, 2016, the Department received the emails it had requested on December 6, 2016. The Examiners conducted an analysis of the emails, particularly those of the Licensee.

8. The Examiners noted 20 instances within a six month period, May 2016 through November 2016, where the Licensee and another real-estate appraiser, Jason Torpey, communicated via email about property values prior to the appraisals being conducted. Eight of those instances occurred after the Licensee was advised by Flake against such conduct on September 28, 2016.

9. The Examiners noted that Torpey initiated contact with the Licensee through emails with a subject line that included property addresses and the last names of the borrowers. Within the body of the emails, Torpey would ask the Licensee what he thought about the property, and the Licensee would respond with a dollar amount that he thought the property was worth. In some of the emails, the Licensee and Torpey would continue to discuss the valuations of the properties made by either of them and determine if those valuations were either too high or too low.

10. The Examiners, in reviewing the emails, found no evidence that any of the other loan originators employed by Mann were engaged in the prohibited communication with Torpey or any other appraisers.

REMEDIES

11. The Licensee admits to the allegations set forth in this Consent Order.

12. The Licensee admits he has engaged in violations of the Idaho Residential Mortgage Practices Act, Idaho Code § 26-31-101 *et seq.* (the Act); in particular §§ 26-31-313(1)(c) and 26-31-317(8); applicable rules pursuant to the Act and Regulation Z, 12 CFR § 1026.42 (Reg. Z) (which is incorporated into the Idaho Rules).

13. The Licensee agrees that his mortgage loan originator license is hereby suspended for the duration of the calendar year. He also agrees he will not reapply for a license with the Department for a period of no less than two (2) years from the date of this Consent Order.

14. The Licensee further agrees that he will not become a designated "control person," as defined by Idaho Code § 26-31-102(2), of an Idaho licensed mortgage broker/lender location for a period of no less than three (3) years from the date of this Consent Order.

15. The Licensee acknowledges and understands that this Consent Order is an administrative action that must be disclosed to the Department on future licensing and renewal forms. The disclosure requirements of other states may also require disclosure of the same.

DATED this 17th day of May, 2017.




DANIEL LANE FULLMER

~~DATED this _____ day of _____, 2017.~~

~~STATE OF IDAHO~~

DATED this 17th day of May, 2017.

STATE OF IDAHO
DEPARTMENT OF FINANCE




MICHAEL LARSEN
Consumer Finance Bureau Chief

IT IS SO ORDERED.

DATED this 18th day of May, 2017.

STATE OF IDAHO
DEPARTMENT OF FINANCE



MARY HUGHES, Acting Director
Idaho Department of Finance



CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 19th day of May, 2017, I caused a true and correct copy of the foregoing **CONSENT ORDER** to be served on the following by the designated means:

Daniel Lane Fullmer
2608 E Tybalt Dr
Meridian, ID 83642

- U.S. mail, postage prepaid
- certified mail
- facsimile _____
- email: dan.fullmer@wvbk.com

