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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:

JOHN C. SANFORD,
NMLS ID No. 1841401,

Applicant.

Docket No. 2019-16-53

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

The Acting 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. John Christopher Sanford (the Applicant), a resident of the state of Idaho, holds NMLS number 1841401 and applied for an Idaho Mortgage Loan Originator license by filing a

Form MU4 through the online Nationwide Mortgage Licensing System and Registry (NMLSR) on December 5, 2019.

2. 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 the following questions:

(A)(3): "Have you been the subject of a foreclosure action within the past 10 years?"

(D): "Do you have any unsatisfied judgments or liens against you?"

(H)(1): "Have you ever been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to committing or conspiring to commit a misdemeanor involving: (i) financial services or a financial services-related business, (ii) fraud, (iii) false statements or omissions, (iv) theft or wrongful taking of property, (v) bribery, (vi) perjury, (vii) forgery, (viii) counterfeiting, or (ix) extortion?"

3. The Applicant responded with a "no" to questions (A)(3), (D) and (H)(1).

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.¹

5. The examiner obtained a public record background information report through LexisNexis, from which the examiner learned that the Applicant failed to disclose he had been the subject of two foreclosure actions within the last ten years, has an outstanding federal tax lien against him, an outstanding judgment against him, and plead guilty to a misdemeanor petit theft charge.

6. Regarding the foreclosure actions, the examiner noted a Notice of Default recorded for the Applicant's property located at 4150 E. Chinden Boulevard, Eagle, Idaho. This Notice of Default was recorded with the Ada County Recorder's Office on March 22, 2019. Another Notice of Default concerning property owned by the Applicant was recorded with the Ada County Recorder's Office on February 10, 2011, concerning property at 8620 W Ringbill Court, Garden City, Idaho. Regarding the tax lien, the examiner obtained a copy of the Notice of Federal Tax Lien against the Applicant in the total amount of \$27,660.04, which notice was recorded with the Ada County Recorder on May 15, 2017.

7. Regarding the unsatisfied judgment, a Department examiner obtained a copy of the Order for Default Judgment in the total amount of \$6,554.00 entered on October 23, 2009 in favor of Collection Bureau, Inc. against the Applicant in Ada County Idaho, Case No. CVOC0917434. The examiner further obtained copies of two Orders Renewing Judgment in the same case entered October 27, 2014, and October 22, 2019, respectively.

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.

8. Regarding the Applicant's conviction of a misdemeanor involving theft or the wrongful taking of property, a Department examiner obtained a copy of an Amended Complaint against the Applicant in Case No. M9501510 in the Fourth Judicial District, Ada County Court, where the State of Idaho charged the Applicant with the charge of petit theft where in the latter part of 1994, the Applicant "did wrongfully take" merchandise from a store. A withheld judgment was entered based on the Applicant's guilty plea on October 10, 1996. Further, a Judgment of Conviction revoking the withheld judgment was entered on September 14, 1998.

9. The false answers related to and the failure to disclose the 2011 and 2019 foreclosures, the federal tax lien, the unsatisfied judgment, and the misdemeanor involving theft or wrongful taking of property are relevant misstatements and omissions in the Applicant's responses to the Form MU4 application disclosure questions (A)(3), (D) and (H)(1).

10. These demonstrate that the Applicant does not have the character and fitness sufficient to warrant belief that he will operate honestly and fairly within the purposes of the Act and justify the denial of his Idaho mortgage lender license application.

FINDINGS AND CONCLUSIONS OF LAW

11. The allegations set forth in paragraphs 1 through 10 above are fully incorporated herein by this reference.

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 and Registry (NMLSR), in a form required by the 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 or fails to meet the requirements of Idaho Code § 26-31-306.

16. The Applicant made a material misstatement of fact in his application, which is grounds to deny his application for licensure. He affirmatively represented that he did not have and further failed to disclose: two foreclosure actions, a federal tax lien, an unsatisfied judgment, and a misdemeanor involving theft or the wrongful taking of property. The failures to disclose the foreclosure actions, the tax lien, the unsatisfied judgment, and the misdemeanor petit theft conviction prohibits the Director from issuing a license to the Applicant pursuant to Idaho Code § 26-31-306(1)(d) and (h).

17. The Director finds it appropriate to deny the application because the Applicant's failure to disclose on the Form MU4 the foreclosures, tax lien, judgment, and petit theft conviction 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) AND THE IDAHO ADMINISTRATIVE PROCEDURE ACT, IDAHO CODE § 67-5201 *et seq.*, IT IS HEREBY ORDERED THAT THE APPLICATION FOR A MORTGAGE LOAN ORIGINATOR LICENSE SUBMITTED TO THE DEPARTMENT ON DECEMBER 5, 2019, BY JOHN CHRISTOPHER SANFORD, NMLS #1841401 IS HEREBY DENIED.

NOTICE

20. The Applicant is HEREBY NOTIFIED that the foregoing ORDER DENYING MORTGAGE LOAN ORIGINATOR LICENSE APPLICATION is a final order of the Director, 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:

Anthony Polidori
Consumer Finance Bureau Chief
Idaho Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031

A copy of the request for 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.

21. If the Applicant timely files a request for 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.* and the Idaho Rules of Administrative Procedure of the Attorney General (IRAP), IDAPA 04.11.01.000 *et seq.*

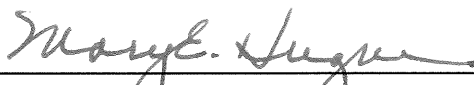
23. Pursuant to Idaho Code § 26-31-305(6), if a hearing is held, the Applicant shall reimburse, pro rata, the Director for his reasonable and necessary expenses incurred as a result of the hearing.

IT IS SO ORDERED.

DATED this 16th day of December, 2019.



STATE OF IDAHO
DEPARTMENT OF FINANCE



MARY E. HUGHES, Acting Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 17th day of December, 2019, I caused a true and correct 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:

John C. Sanford
4150 E. Chinden Blvd
Eagle, ID 83616

- U.S. mail, postage prepaid
- certified mail
- facsimile _____
- email: csanford@primeres.com

