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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:

JUSTIN PATRICK MURPHY,  
NMLS ID No. 1838986,

Applicant.

Docket No. 2020-16-42

**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 JUSTIN PATRICK MURPHY (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 Ohio, holds NMLS number 1838986 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 by the Applicant on June 9, 2020, and submitted on the Applicant's behalf by Judy Chapin of Nations Lending Corporation on the same date.

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 with a "no" to this disclosure 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. Additional research showed that the Applicant has an outstanding judgment entered against him. Following this, the examiner obtained a copy of the Certificate of Judgment against the Applicant in favor of Absolute Resolutions Investments, LLC, Case Number 2018CVF03607, for \$1,653.16, which was entered May 21, 2019, in the Civil Division of the Stow Municipal Court District, Summit County, Ohio.

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

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

8. In addition to the above, there may be additional concerns regarding the Applicant's financial responsibility that would serve as a separate basis to deny the license application.

#### **LEGAL CONCLUSIONS**

9. 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.

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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.

11. 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).

12. 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.

13. 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.

14. 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.

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 existence of the judgment. The incorrect answer and failure to disclose the judgment prohibit the Director from issuing a license to the Applicant pursuant to Idaho Code § 26-31-306(1)(h).

16. 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 judgment 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**

17. 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 Anthony Polidori, Consumer Finance Bureau Chief, at the following address:

Anthony Polidori  
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](mailto:CFLegal@finance.idaho.gov).

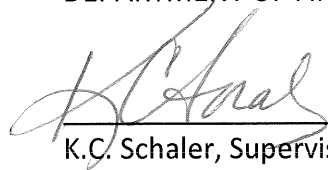
18. If the Applicant timely requests a hearing, the Director of the Department, or a Hearing Officer acting on the Director's behalf, will notify the Applicant of the date, time and place of the hearing, as well as the name and contact information of the presiding officer.

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. Alternatively, the Applicant can withdraw his application originally submitted on June 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 7<sup>th</sup> day of August, 2020.

STATE OF IDAHO  
DEPARTMENT OF FINANCE



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K.C. Schaler, Supervising Examiner

DATED this 7<sup>th</sup> day of August, 2020.

OFFICE OF ATTORNEY GENERAL



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Thomas A. Donovan, Deputy Attorney General

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 7<sup>th</sup> day of August, 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:

Justin Patrick Murphy  
2115 13<sup>th</sup> Street  
Cuyahoga Falls, OH 44223

- U.S. mail, postage prepaid
- certified mail
- facsimile \_\_\_\_\_
- email: Justin.murphy@nationslending.com

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Paralegal

