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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:

MELANIE GEIST,
NMLS ID No. 485989,

Applicant.

Docket No. 2021-16-20

**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, MELANIE GEIST, a resident of the state of California, holds NMLS number 485989 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 October 19, 2020 and submitted on the Applicant's behalf by Steven Sheasby of JMJ Financial Group on November 2, 2020.

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

3. Pertinent to the Applicant's qualifications are the following questions:

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

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

4. The Applicant responded with a "no" response to question (A)(3) but did provide a "yes" response to question (D). In the Disclosure Explanation section for this "yes" response, the Applicant provided this one sentence explanation: "I have previously submitted this information in January 2012." No creditor was identified, no current status was provided, and no supporting documentation was uploaded.

5. 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

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.

6. The examiner obtained a public record background information report through LexisNexis, which reflected that the Applicant was the subject of a foreclosure action in 2018. The information available to the examiner, however, did not reflect that there were any outstanding judgments, however, the report reflected four (4) federal tax liens against the Applicant. The Department did not research these specific liens, rather it expected the Applicant to provide additional information consistent with the license item noted in NMLS to this effect.

7. Following this, the examiner obtained copies of documents related to the foreclosure action. The documents included Notice of Default and Election to Sell Under Deed of Trust, recorded with the Orange County Recorder, California, on March 20, 2018, Document No. 2019000096986; and a Trustee's Deed Upon Sale; recorded with the Orange County Recorder on August 16, 2018, as Document No. 2018000300157, both concerning the Applicant's property located at 12042 Wallingsford Road, Los Alamitos, California 90720².

8. The Applicant's negative responses to the Form MU4 application disclosure questions (A)(3) is a material misrepresentation, and the failure to provide the details of the foreclosure action described above constitutes a material omission.

9. Additionally, since the Applicant failed to identify a creditor, provide a current status, or offer supporting documentation regarding her affirmative response to question (D), the Department is unable to determine whether the Applicant meets financial responsibility guidelines, which could serve as a separate basis to deny the license application.

² This is also the same address that the Applicant provided as her mailing address in her Form MU4, which is most likely no longer valid. The Applicant did not provide any other mailing address.

10. On March 2, 2021 the Department provided the Applicant notice of an intent to deny the application within one month based on the information set forth above unless the Applicant was able to provide documentation to satisfy the Department that the noted items had been resolved and that disclosure of the foreclosure was not required. The notice alternatively provided the Applicant the opportunity to withdraw the application. The Department also provided notice on March 2, 2021 of the Applicant's need to provide additional information regarding the affirmative response to question (D). The Applicant failed to provide the requisite documentation or withdraw the application by the stated deadline.

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 § 26-31-304 provides that an individual shall not engage in the business of a mortgage loan originator without first obtaining, and maintaining annually, a license.

13. 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).

14. 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.

15. 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.

16. 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.

17. The Applicant made a material misstatement of fact in her application, which is grounds to deny her application for licensure. She answered a question inaccurately and failed to disclose the foreclosure action. The false answer to disclosure question (A)(3) and failure to disclose the foreclosure action prohibits the Director from issuing a license to the Applicant pursuant to Idaho Code § 26-31-306(1)(d) and (h).

18. The Applicant failed to provide supporting information in relation to the affirmative answer to disclosure question (D). This failure evidences a lack of complete information disclosure that prohibits the Director from issuing a license to the Applicant pursuant to Idaho Code § 26-31-306(1)(h).

19. The Director finds it appropriate to deny the application because the Applicant's failures to provide complete and accurate information on the Form MU4 regarding the foreclosure action and complete disclosure of information on the Form MU4 regarding the affirmative response regarding outstanding judgments or liens demonstrate 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 HEREBY ORDERED THAT THE APPLICATION FOR A MORTGAGE LOAN ORIGINATOR LICENSE APPLICATION ATTESTED TO ON OCTOBER 19, 2020 BY MELANIE GEIST, NMLS #485989, AND SUBMITTED ON THE APPLICANT'S BEHALF BY STEVEN SHEASBY OF JMJ FINANCIAL GROUP ON NOVEMBER 2, 2020 IS HEREBY DENIED.

NOTICE OF THE OPPORTUNITY TO REQUEST A HEARING

20. 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.

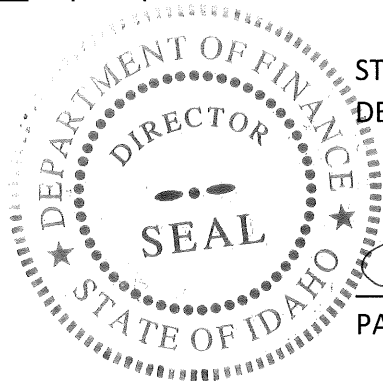
21. If the Applicant timely requests a hearing, the Director of the Department, or a Hearing Officer acting on the Director's behalf, will notify the Applicant of the date, time and place of the hearing, as well as the name and contact information of the presiding officer.

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 (IDAPA 04.11.01).

23. 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 22nd day of April 2021.



STATE OF IDAHO
DEPARTMENT OF FINANCE

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

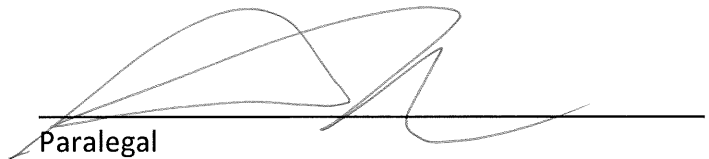
PATRICIA R. PERKINS, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 26th day of April 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:

Melanie Geist
12042 Wallingsford Road
Los Alamitos, CA 90720

- U.S. mail, postage prepaid
- certified mail
- facsimile _____
- email: melanie.geist@yahoo.com



Paralegal