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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:

MICHAEL EDWARD MORAN,
NMLS ID No. 52492,

Applicant.

Docket No. 2023-16-11

**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/or (h) and 26-31-313(1)(a) and/or (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, Michael Edward Moran, a resident of the state of Ohio, applied for an Idaho Mortgage Loan Originator (MLO) license by filing an individual Form MU4, which seeks information about an applicant's qualifications to be licensed as a mortgage loan originator, through the online Nationwide Mortgage Licensing System and Registry (NMLSR), a.k.a. Nationwide Multistate Licensing System (NMLS) under NMLS number 52492. This application was attested to by the Applicant on March 21, 2023, and submitted on the same date by Keyanda Smith of Nations Lending Corporation.

2. The Applicant had previously attested to and submitted Forms MU4 to the Department on December 6, 2018, and again on February 12, 2021. Regarding the 2018 application, a Notice of Intent to Issue Order of Denial of Mortgage Loan Originator License Application and Notice of the Opportunity to Request a Hearing was issued against the Applicant on January 17, 2019, for failing to disclose required information pertaining to a regulatory action that had been taken against him. This Notice of Intent provided the Applicant with the opportunity to request a hearing or withdraw his application. The Applicant timely withdrew this 2018 application.

3. Regarding the 2021 application, a Notice of Intent to Deny license item was added to the Applicant's NMLS record on June 4, 2021. This Notice of Intent to Deny license item addressed the same regulatory action that was not disclosed on the

Applicant's 2018 application. The Department provided the Applicant approximately one month for him to provide documentation that would 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 timely withdrew the 2021 application as well.

4. Section 6 of the application Form MU4 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 is Question (K)(6), which asks:

Has any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization (SRO) ever: ... denied or suspended your registration or license or application for licensure, disciplined you, or otherwise by order, prevented you from associating with a financial services-related business or restricted your activities?

5. The Applicant responded with a "no" to question (K)(6).

6. 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.

7. The examiner obtained a public records background information report through LexisNexis. The report showed that on March 30, 2007, the Applicant was denied a mortgage loan originator license renewal by the Ohio Department of Commerce, Division of Financial Institutions (OH DFI) for failing to complete at least 6 hours of continuing education as required under the Ohio Mortgage Broker Act.

This is the same regulatory action that was not disclosed on the Applicant's 2018 and 2021 applications.

8. On March 22, 2023, 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.

9. The Applicant failed to provide the requisite documentation or withdraw the application by the stated deadline.

10. The Applicant's failure to acknowledge and provide details of the regulatory action against him described above constitutes a material omission.

11. The Applicant's failure to disclose the above-referenced enforcement action entered by the OH DFI on his Form MU4 to reflect regulatory agency action had been taken against him, constitutes a material misrepresentation and relevant omission in the Applicant's responses to the application disclosure questions (K)(6).

FINDINGS AND CONCLUSIONS OF LAW

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

13. 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.

14. 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).

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 § 26-31-306(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.

17. 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.

18. 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 state regulatory agency enforcement actions that were taken against him. Omitting correct answers to disclosure question (K)(6) and failure to disclose the enforcement action prohibits the Director from

issuing a license to the Applicant pursuant to Idaho Code § 26-31-306(1)(d) and/or (h) and § 26-31-313(1)(a) and/or (b).

19. The Director finds it appropriate to deny the application because the Applicant's failure to provide the information on the Form MU4 regarding the enforcement action 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) and/or (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 BY MICHAEL EDWARD MORAN, NMLS #52492, ON MARCH 21, 2023, AND SUBMITTED BY KEYANDA SMITH OF NATIONS LENDING CORPORATION ON THE SAME DATE, IS 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:

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.

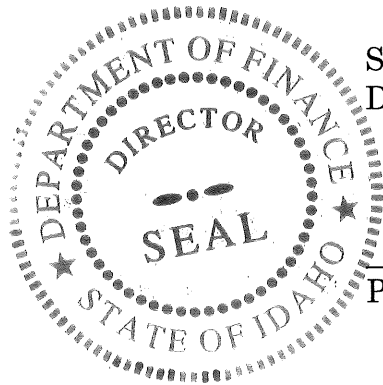
21. If the Applicant timely requests a hearing, the Director of the Department, or a Hearing Officer acting on the Director's behalf, will notify the Applicant of further steps including the date, time, and place of the hearing.

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 8th day of May 2023.



STATE OF IDAHO
DEPARTMENT OF FINANCE



PATRICIA R. PERKINS, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 9th day of May 2023, 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:

Michael Edward Moran
26983 Arbor Lane
Olmsted Township, OH 44138

- U.S. mail, postage prepaid
- certified mail
- facsimile _____
- email: Michael.moran@nationslending.com



Paralegal