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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:

NEIL BAJA DUMATOL,
NMLS ID No. 1065241,

Applicant.

Docket No. 2021-16-27

**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, NEIL BAJA DUMATOL, a resident of the state of California, holds NMLS number 1065241 and applied for an Idaho Mortgage Loan Originator (MLO) license by filing an individual Form MU4 through the online Nationwide Mortgage Licensing System (NMLSR or

NMLS). This application was attested to on December 28, 2020 by the Applicant and was submitted on the Applicant's behalf on the same date by Brad Verch of Sun West Mortgage Company, Inc.

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 the following question: (D): "Do you have any unsatisfied judgments or liens against you?" The Applicant answered with a "yes" to this question. For the accompanying Disclosure Explanations section, the Applicant only provided information he originally added and updated to his application between 2013 and 2015, which included explanations that were in combination with his affirmative answer to question (A)(1) that pertains to whether he had been the subject of a bankruptcy within the previous 10 years. The information provided detailed a bankruptcy that the Applicant filed in 2004 or 2005, as well as state and federal tax liens that were filed against him prior to 2015. The Applicant has not made any updates or amendments to this Disclosure Explanations section since 2015.

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

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.

5. The examiner obtained a public record background information report through LexisNexis, which showed that the Applicant has several other undisclosed tax liens that were entered against him after 2015 and not disclosed. The examiner obtained copies of these four tax liens as follows:

a. Notice of State Tax Lien, Certificate Number 16344722448. This tax lien was issued against the Applicant by the State of California, Franchise Tax Board on December 9, 2016, for \$8,861.11 for tax years 2011, 2013, and 2014. It was recorded with the Orange County California Recorder, on December 21, 2016, as document No. 2016000649213.

b. Notice of Federal Tax Lien against the Applicant for \$40,492.91, Serial Number 302779418, dated March 30, 2018, and was recorded in the Orange County, California Recorder's Office on April 11, 2018, under Instrument Number 2018000128743. The Notice of Federal Tax Lien (for tax years 2010 and 2011) indicates that that the total balance remains in effect through May 13, 2025.

c. Notice of Federal Tax Lien against the Applicant for \$28,782.11, Serial Number 339431918, dated December 17, 2018, and was recorded in the Orange County, California Recorder's Office on December 26, 2018, under Instrument Number 2018000480472. The Notice of Federal Tax Lien (for tax year 2013) indicates that that the total balance remains in effect through December 28, 2026.

d. Notice of State Tax Lien, Certificate Number 20245282532. This tax lien was issued against the Applicant by the State of California, Franchise Tax Board on September 1, 2020, for \$13, 954.47 for tax years 2015 and 2016. It was recorded

with the Orange County California Recorder, on October 22, 2020, as document No. 2020000595653.

6. The Department has no evidence indicating that any of the tax liens described above have been satisfied and/or released.

7. Regarding his affirmative response to disclosure question (D), the Applicant's failure to update his Form MU4 application and provide details of the tax liens entered against him after 2015 constitutes a material omission.

8. On April 19, 2021, 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. The Applicant failed to provide the requisite documentation or withdraw the application by the stated deadline of May 17, 2021.

FINDINGS AND CONCLUSIONS OF LAW

9. The allegations set forth in 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.

11. 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), and further that the application form shall be updated as necessary to keep the information current.

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 by omission in his application, which is grounds to deny his application for licensure. He failed to disclose and provide information regarding the federal and California tax liens that were entered against him after he last updated his application in 2015. The failure to disclose the tax liens prohibits the Director from issuing a license to the Applicant pursuant to Idaho Code § 26-31-306(1)(h).

16. The Director finds it appropriate to deny the application because the Applicant's failure to provide complete information on the Form MU4 regarding the tax liens 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), IT IS HEREBY ORDERED THAT THE APPLICATION FOR A MORTGAGE LOAN ORIGINATOR LICENSE APPLICATION ATTESTED TO BY NEIL BAJA DUMATOL, NMLS #1065241, ON DECEMBER 28, 2020 AND SUBMITTED ON MR. DUMATOL'S BEHALF ON THE SAME DATE BY BRAD VERCH OF SUN WEST MORTGAGE COMPANY, INC. IS DENIED.

NOTICE OF THE OPPORTUNITY TO REQUEST A HEARING

17. 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.

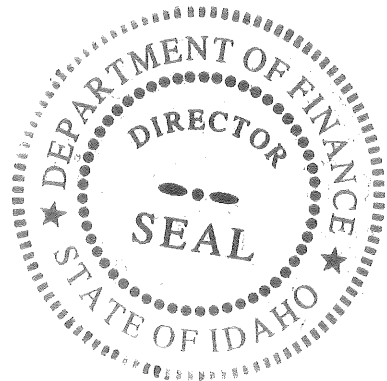
18. If the Applicant timely requests a hearing, the Director of the Department, or a Hearing Officer acting on the Director's behalf, will notify the Applicant of the date, time and place of the hearing, as well as the name and contact information of the presiding officer.

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. 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 15th day of June 2021.



STATE OF IDAHO
DEPARTMENT OF FINANCE



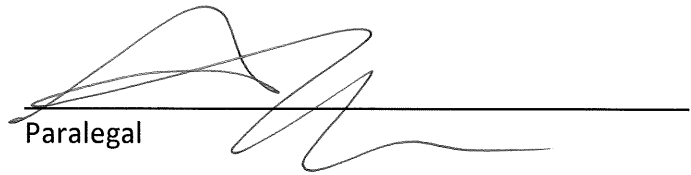
PATRICIA R. PERKINS, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 16th day of June 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:

Neil Dumatol
14321 Green Valley Dr., Unit B
Tustin, CA 92780

- U.S. mail, postage prepaid
- certified mail
- facsimile _____
- email: neil.dumatol@swmc.com



Paralegal