

LAWRENCE WASDEN
Attorney General

Erick Shaner – I.S.B. #5214
Deputy Attorney General
State of Idaho
Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031
Telephone: (208) 332-8092
Facsimile: (208) 332-8016
Erick.shaner@finance.idaho.gov

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

In re Mortgage Loan Originator
License Application of:

RONALD IVAN SEIGEL,
NMLS ID No. 217037,

Applicant.

Docket No. 2022-16-17

**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 § 26-31-313(1)(a) 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, Ronald Ivan Seigel, a resident of the state of California, 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), a.k.a. Nationwide

Multistate Licensing System (NMLS) under NMLS number 217037. This application was attested to by the Applicant on April 1, 2022 and submitted on the same date by Scott Mertens of Geneva Financial, LLC.

2. On January 15, 2022, prior to the submission of this application, the Applicant entered into a Multistate Settlement Agreement and Consent Order (Settlement Agreement) with the Idaho Department of Finance (Department), as well as several other state mortgage regulators, addressing the Applicant's violations of the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (the SAFE Act)¹.

3. In the Settlement Agreement, the Applicant admitted to being a knowing and active participant in an MLO prelicensure and continuing education cheating scheme, which was discovered after an investigation was conducted by the Mortgage Testing and Education Board (MTEB)². This scheme was coordinated and implemented by Danny Yen, dba Real Estate Educational Services (REES). REES was an NMLS approved course provider.

4. The MTEB investigation uncovered that the Applicant cheated on his mandatory prelicensure and continuing education requirements by having REES complete them on his behalf under the in-person and/or online schemes, which is a violation of federal and state law.

¹ The federal SAFE Act, adopted by Congress in July 2008 in response to the U.S. subprime mortgage crisis, establishes minimum standards for the licensing and regulation of MLOs. The Idaho Residential Mortgage Practices Act consists of three parts and Part 3, which is entitled the "Idaho S.A.F.E. Mortgage Licensing Act of 2009" and referred to as the "Idaho S.A.F.E. Act," incorporates the requirements of the federal SAFE Act. The SAFE Act mandates that state licensed MLOs complete and meet certain pre-licensure and continuing education requirements, which are approved through the NMLS.

² According to the NMLS Resource Center webpage, "The MTEB is responsible for the oversight of SAFE required testing and course approvals and related activities including the development and implementation of the Administrative Action Procedures. The MTEB also acts in an advisory capacity regarding the policies and procedures by which NMLS meets the SAFE Act testing and education requirements." The MTEB is also the administrative authority tasked with investigating alleged violations of the NMLS Rules of Conduct for MLOs and the NMLS Standards of Conduct, which applies to all NMLS-approved course providers.

5. Pursuant to the terms of the multi-state Settlement Agreement, the Applicant agreed to surrender his active MLO licenses for the participating states that had issued a license to him. The Applicant also agreed that he would “not apply for a new mortgage loan originator license, or as applicable, petition for the reinstatement of any MLO Activity Endorsement in any of the Participating States for a period of three months from the Effective Date of this Agreement. Should the [Applicant] apply for a license or petition for the reinstatement of an MLO Activity Endorsement during the three-month period, that license application or MLO Activity Endorsement petition, as consented to by the [Applicant] herein, shall be deemed denied.”

6. A general provision for the Settlement Agreement states, “That this Agreement shall become effective...when posted on the NMLS.” According to the Applicant’s NMLS record, under the Regulatory Action Detail section, the Settlement Agreement was posted to the Applicant’s record on January 15, 2022.

7. The Applicant violated the terms of the Settlement Agreement by attesting to and submitting a new application to the Department on April 1, 2022, which is two-weeks premature. Pursuant to the terms of the Settlement Agreement, the Director “shall” deem the Applicant’s MLO license application he submitted to the Department denied.

FINDINGS AND CONCLUSIONS OF LAW

8. The allegations set forth in paragraphs 1 through 7 above are fully incorporated herein by this reference.

9. Pursuant to Idaho Code § 26-31-313(1)(a), the Director may deny a license if an applicant violates an Order issued under the Act.

10. The Applicant violated the terms of the Settlement Agreement. This violation prohibits the Director from issuing a license to the Applicant pursuant to Idaho Code § 26-31-313(1)(a).

11. The Director finds 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), IT IS HEREBY ORDERED THAT THE APPLICATION FOR A MORTGAGE LOAN ORIGINATOR LICENSE APPLICATION ATTESTED TO BY RONALD IVAN SEIGEL, NMLS ID NO. 217037, ON APRIL 1, 2022, AND SUBMITTED BY COTT MERTENS OF GENEVA FINANCIAL, LLC, ON THE SAME DATE, IS DENIED.

NOTICE OF THE OPPORTUNITY TO REQUEST A HEARING

12. 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.

13. 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.

14. 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).


15. 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 19th day of April 2022.

STATE OF IDAHO
DEPARTMENT OF FINANCE





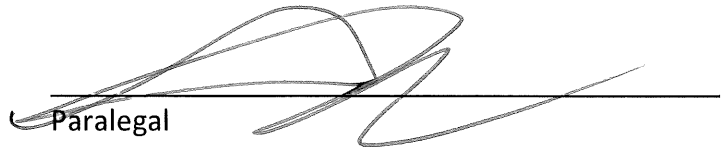
PATRICIA R. PERKINS, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 20th day of April 2022, 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:

Ronald Ivan Seigel
5753 E Santa Ana Canyon Rd
Anaheim, CA 92807

U.S. mail, postage prepaid
 certified mail
 facsimile _____
 email: rsiegel@genevafi.com


Paralegal