

LAWRENCE WASDEN
Attorney General

Thomas A. Donovan – I.S.B. #4377
Deputy Attorney General
State of Idaho
Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031
Telephone: (208) 332-8091
Facsimile: (208) 332-8016
Tom.donovan@finance.idaho.gov

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

In re Mortgage Loan Originator
License Application of:

STEVEN LYNN DEYOUNG,
NMLS ID No. 313292,

Applicant.

Docket No. 2021-16-79

**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)(b)(ii), (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, STEVEN LYNN DEYOUNG, a resident of the state of Utah, holds NMLS number 313292 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 23, 2021 and submitted on the Applicant's behalf by Lisa Roland of Trillion Mortgage, Inc. 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 were questions under section (K) "Has any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization (SRO) ever: "(6) 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?" The Applicant responded with a "no" to this question.

4. Also 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 question as well.

5. The Applicant has made no substantive amendments impacting the Department staff's intent to deny to his Form MU4 since his application was attested to and submitted on June 23, 2021.

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.¹

7. The examiner obtained a public record background information report through LexisNexis, which showed that the Applicant has an outstanding tax lien entered against him by the Utah State Tax Commission. This lien was filed on October 4, 2021 in the Third District Court, Salt Lake County, Utah. The filing of this lien was completed after the date of the Applicant's attestation and submission of his application on June 23, 2021, however, to date, the Applicant has not updated his application, as required, to reflect that this Utah tax lien was issued against him.

8. The examiner also reviewed information concerning the Applicant that is available online through the NMLS, which showed that the Applicant had his mortgage loan origination license application denied by the Division of Banking for the State of Wyoming's Department of Audit (WDA) on July 5, 2018. In the Denial Letter to the Applicant from the WDA, the Applicant was informed that his license application was being denied because the WDA determined, pursuant to Wyoming Statute 40-23-126(a), that the Applicant failed to demonstrate the requisite "financial responsibility, character and general fitness such as 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 purpose of [the Wyoming Residential Mortgage Practices Act]." The State of Wyoming also determined, pursuant to Wyoming Statute

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.

40-23-126(b), that the Applicant was not financially responsible because he showed “a disregard in the management of his own financial condition” due to an outstanding judgment against him (“Judgement – Private Party (Randy Larsen) - \$150,000”).

9. The Applicant provided negative responses on his Form MU4 to disclosure questions (K)(6) and (D) at the time his application was submitted to the Department on June 23, 2021.

10. The Applicant’s failure to disclose the WDA denial of his Wyoming licensing application on his Form MU4 to reflect that a state regulatory agency had taken disciplinary action against him constitutes a material misrepresentation and relevant omission in the Applicant’s responses to the application disclosure questions (K)(6).

11. The Applicant’s additional failure to keep his application current by updating his Form MU4 to disclose the State of Utah tax lien that was issued against him in October 2021 constitutes a material misrepresentation and relevant omission in the Applicant’s response to the application disclosure question (D).

12. On October 25, 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 disclosure of the State of Wyoming’s denial of his mortgage loan originator license application 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.

FINDINGS AND CONCLUSIONS OF LAW

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

14. 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.

15. Idaho Code § 26-31-305(1) provides that an applicant for a license shall apply through the NMLS in a form prescribed by the Director and that “Each form shall include such content as the director may reasonably require,” and “*shall be updated as necessary to keep the information current...*” (Emphasis added.)

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. 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.

18. Pursuant to Idaho Code § 26-31-313(1)(a) and (b), the Director may deny a license if an applicant withholds information or makes a material misstatement in an application for a license.

19. The Applicant failed to affirmatively answer disclosure question (K)(6) to reflect the WDA denial of his Wyoming licensing application and also failed to update his application to disclose that the Utah state tax lien was issued against him in October 2021, as required by Idaho Code § 26-31-305(1). These justify the Director denying the Applicant's mortgage loan originator license pursuant to Idaho Code § 26-31-306(1)(d) and (h) and § 26-31-313(1)(a) and (b).

20. The Director finds it appropriate to deny the application because the Applicant's failure to provide complete information on the Form MU4 regarding the WDA's denial of his licensing application in Wyoming and the updated disclosure of the Utah tax lien 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 STEVEN LYNN DEYOUNG, NMLS NUMBER 313292, ON JUNE 23, 2021, AND SUBMITTED ON HIS BEHALF BY LISA ROLAND OF TRILLION MORTGAGE, INC. ON THE SAME DATE IS DENIED.

NOTICE OF THE OPPORTUNITY TO REQUEST A HEARING

21. 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:

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.

22. 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.

23. 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).

24. 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 20th day of December 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 20th day of December 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:

Steven Lynn DeYoung
4929 Brown Villa Cove
Taylorsville, UT 84123

- U.S. mail, postage prepaid
- certified mail
- facsimile _____
- email: steve@stevedeyoung.com

Paralegal

