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

STATE OF IDAHO, DEPARTMENT OF FINANCE, CONSUMER FINANCE BUREAU,)	
)	Docket No. 2009-16-06
Complainant,)	
)	ORDER DENYING MORTGAGE
vs.)	LOAN ORIGINATOR LICENSE
)	APPLICATION, AND NOTICE OF
DARIN ANDREW STUBBS,)	THE OPPORTUNITY FOR A
)	HEARING
Respondent.)	
_____)	

The Director of the State of Idaho, Department of Finance (Director), pursuant to the Idaho Residential Mortgage Practices Act, Idaho Code § 26-3101 *et seq.* (the Act), and in particular § 26-3108A(2)(a), -(d), and -(g) 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. Darin Andrew Stubbs (the Respondent) is an individual who resides at 2310 Smith Avenue, Boise, Idaho 83702.

2. In or around October of 2005, the Respondent filed a personal Chapter 7 bankruptcy petition, and on February 2, 2006, received a Chapter 7 bankruptcy discharge order entered by United States Bankruptcy Judge for the District of Idaho, Jim D. Pappas.

3. On May 1, 2006, the State of Idaho, Department of Finance (Department) issued to the Respondent Mortgage Loan Originator License No. MLO-5150. Mortgage Loan Originator License No. MLO-5150 issued to the Respondent by the Department continued in effect until December 31, 2008, when it expired due to the Respondent's failure to comply with renewal requirements for such license.

4. On January 1, 2008, the Department began participation in the National Mortgage Licensing System and Registry (NMLSR), a multistate, automated mortgage licensing system. Under that new system, applicants for mortgage licenses are required to fill out license applications online through the NMLSR. Once the online licensing application is filled out by an applicant, the state mortgage regulator from whom the applicant seeks the issuance of a mortgage license receives notice that an applicant has filled out the online application. Thereafter, communications regarding the information required for licensure and the appropriate timelines for the state mortgage regulator's receipt of the required information are handled online between the applicant and the appropriate state mortgage regulator, which, in the instant case, is the Department.

5. On April 3, 2009, the Department received notice through the NMLSR that the Respondent had filled out an online application, called a FORM MU4, seeking the issuance by the Department of a new mortgage loan originator license to the Respondent. Shortly after the Department was notified that the Respondent had filled out such application, the application was reviewed by an employee of the Department's Consumer Finance Bureau. Such employee

noted that the Respondent had provided “yes” answers to questions falling within the areas of “financial disclosure,” “civil judicial disclosure,” and “regulatory action.”

6. One of the questions included on the FORM MU4, as to which the Respondent answered “yes,” was Question 8.(C), which inquired whether the Respondent had “any unsatisfied judgments or liens.”

7. On April 8, 2009, following the Department’s standard practice when “yes” answers to the types of questions referenced in paragraphs 5 and 6 above are provided by mortgage loan originator license applicants, Department Examiner/Investigator E.V. was assigned by the Department to review the Respondent’s license application (FORM MU4) to determine whether the Respondent had submitted a complete license application, and whether it was appropriate to issue a mortgage loan originator license to the Respondent. After review of the Respondent’s license application and the “yes” answers to certain questions, as referenced in paragraphs 5 and 6 above, the Department notified the Respondent through the NMLSR that he would need to provide further information to explain certain “yes” answers reflected on the FORM MU4 before a licensing determination could be made by the Department.

8. After receiving Department Examiner/Investigator E.V.’s request for additional information to explain certain “yes” answers entered by the Respondent on the FORM MU4, on April 16, 2009, the Respondent filed through the NMLSR an amended FORM MU4, changing his response to Question 8.(C), as referenced in paragraph 7 above, from “yes” to “no.”

9. While reviewing the Respondent’s entries on the NMLSR concerning his pending license application, Department Examiner/Investigator E.V. noted the change in the Respondent’s answer to Question 8.(C) from “yes” to “no.” In interpreting the significance of that change, Department Examiner/Investigator E.V. concluded that the Respondent must have

intended to convey that civil money judgments had been awarded against him, but that such judgments had been satisfied. Department Examiner/Investigator E.V. then contacted the Respondent through the NMLSR and requested that he provide proof that any money judgments that had been awarded against him had been satisfied.

10. During the Department's review of the Respondent's licensing application, the Respondent provided some information to Department Examiner/Investigator E.V. pursuant to her requests for additional information from the Respondent to explain his "yes" answers to questions on the FORM MU4.

11. On or about May 14, 2009, the Respondent provided to Department Examiner/Investigator E.V. a copy of a credit report, which credit report indicated that at least two (2) outstanding tax liens had been filed and recorded against the Respondent, and that at least two (2) outstanding money judgments had been entered by Ada County courts against him, which money judgments had not been satisfied. The information included on that credit report caused the Department to further research the status of money judgments that have been awarded by courts against the Respondent, as well as tax and other liens that have been levied against the Respondent.

12. Based on information provided to the Department by the Respondent and obtained by the Department pursuant to research relating to the Respondent's pending licensing application, at least the following liens and money judgments have been levied or awarded against the Respondent and remain unsatisfied:

- a. Coughlin, Leuenberger & Moon P.C. vs. Darin Stubbs, et al. – Ada County Case No. CV-OC-2007-08201 – On May 8, 2007, a foreign money judgment obtained in the Circuit Court of the State of Oregon, for the

County of Baker, on February 13, 2007 was filed with the Ada County District Court, in the amount of \$7,929.93.

- b. Zions First National Bank v. Darin A. Stubbs – Ada County Case No. CV-OC-2007-18878 - On December 17, 2007, the judge entered a default money judgment in the amount of \$2,468.16 against the Respondent.
- c. Federal National Mortgage Association v. Darin Stubbs – Ada County Case No. CV-OC-2008-07780 – On June 3, 2008, the judge entered a default money judgment against the Respondent in the amount of \$2,907.00.
- d. Bonneville Billing & Collections, Inc. v. Darin A. Stubbs – Ada County Case No. CV-OC-0718146 – On November 27, 2007, the judge entered a default judgment against the Respondent in the amount of \$802.74.
- e. Green & Son's Agency Inc., d/b/a/ Outsource Receivables Management vs. Darin A. Stubbs, et al. – Ada County Case No. CV-OC-2008-16415 – On January 9, 2009, the judge entered an Amended Judgment in the amount of \$967.61 against the Respondent, jointly and severally with other defendants.
- f. On April 10, 2007, an Idaho state tax lien levied against the Respondent in the amount of \$6,301.95 was filed with the Idaho Secretary of State's Office. The Respondent has not satisfied the obligation underlying such lien.
- g. On May 9, 2007, an Idaho state tax lien levied against the Respondent in the amount of \$10,825.45 was filed with the Idaho Secretary of State's

Office. The Respondent has not satisfied the obligation underlying such lien.

- h. On April 8, 2008, a lien was levied against the Respondent by the State of Idaho, Department of Health and Welfare in an amount as yet unknown. The lien is on file with Idaho Secretary of State's Office. The Respondent has not satisfied the obligation underlying such lien.

13. During the Department's review of the Respondent's current license application, on several occasions Department Examiner/Investigator E.V. requested that the Respondent provide the Department with sufficient information to explain the status and circumstances of the judgments and liens referenced in paragraph 12 above. The Respondent requested several extensions of time to provide the requested information, and the Department granted extensions of time to do so. While the Respondent has provided to the Department some of the information it requested, he failed to provide certain specific requests for information sought by the Department which it considered necessary to make a licensing determination.

14. Finally, on August 17, 2009, Department Examiner/Investigator E.V. sent an e-mail to the Respondent setting forth the specific information the Department considered necessary to make the licensing decision as to the Respondent's licensing application. Such e-mail also informed the Respondent that the Department had set a final deadline of August 24, 2009 for the Respondent to provide the information specified in the e-mail. The Respondent failed to provide most of the information requested in the August 17, 2009 e-mail by the deadline of August 24, 2009, to include providing copies of outstanding judgments, details concerning such judgments, copies of documents concerning liens levied against the Respondent, and details concerning such liens.

FURTHER FINDINGS AND CONCLUSIONS OF LAW

- 15. Paragraphs 1 through 14 above are fully incorporated herein by this reference.
- 16. Idaho Code § 26-3108A provides as follows, in pertinent part:

26-3108A. License to do business as a loan originator.— (1) The director shall receive and act on all loan originator license applications. Applications shall be filed in the manner prescribed by the director, shall contain such information as the director may reasonably require, [and] shall be updated as necessary to keep the information current

(2) An application for [a] license may be denied if the director finds that:
(a) The financial responsibility, character, and fitness of the license applicant are not such as to warrant belief that the loan originator will operate honestly and fairly within the purposes of this chapter;

...

(d) The applicant has filed an application for a license which is false or misleading with respect to any material fact;

... or,

(g) The applicant has not provided information on the application as reasonably required by the director pursuant to subsection (1) of this section.

FINDING AND CONCLUSION NUMBER ONE

17. The Respondent’s act of changing his response to Question 8.(C) of the FORM MU4 from “yes” to “no,” which response indicated that he had no “unsatisfied judgments or liens,” when the Respondent knew or had reason to know that he had several outstanding money judgments on record in Idaho courts, as well as at least two (2) liens, constituted filing an application for a license which is false or misleading with respect to any material fact within the meaning of Idaho Code § 26-3108A(2)(d), establishing a basis for the Director to deny the Respondent’s current application for a mortgage loan originator license.

FINDING AND CONCLUSION NUMBER TWO

18. The Director hereby finds that the Respondent’s failure to provide information requested by the Department to explain his “yes” answers to certain questions falling within the area of “financial disclosure,” as referenced above, and particularly in paragraphs 13 and 14

above, constitutes the failure to provide information on the application as reasonably required by the director, within the meaning of Idaho Code § 26-3108A(1) and -(2)(g), establishing a separate basis for the Director to deny the Respondent's current application for a mortgage loan originator license.

FINDING AND CONCLUSION NUMBER THREE

19. The Director hereby finds that the outstanding civil money judgments that have been awarded against the Respondent and remain unsatisfied; the tax liens on record against the Respondent, as to which the underlying obligations have not yet been satisfied; the Respondent's 2006 Chapter 7 bankruptcy filing and discharge; and the Respondent's acts of providing false information to the Department in licensing applications or related thereto, as referenced above, demonstrate a lack of financial responsibility, character, and fitness such as to warrant a belief that the Respondent will operate honestly and fairly within the purposes of the Act, constituting a separate basis for the Director to deny the Respondent's current application for a mortgage loan originator license.

ORDER

NOW, THEREFORE, BASED ON THE FOREGOING FINDINGS OF FACT AND CONCLUSIONS OF LAW, AND PURSUANT TO IDAHO CODE § 26-3108A(1), -(2)(a), -(2)(d), and -(2)(g), IT IS HEREBY ORDERED THAT THE RESPONDENT'S APPLICATION FOR A MORTGAGE LOAN ORIGINATOR LICENSE FIRST SUBMITTED TO THE DEPARTMENT ON OR ABOUT APRIL 3, 2009, IS DENIED.

NOTICE

20. The Respondent is HEREBY NOTIFIED that the foregoing ORDER DENYING MORTGAGE LOAN ORIGINATOR LICENSE APPLICATION is a final order of the Director,

subject to the Respondent'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 § 26-3108A(4). 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 Michael Larsen, Consumer Finance Bureau Chief, at the following address:

Michael Larsen
Consumer Finance Bureau Chief
Idaho Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031

A copy of the request for hearing shall also be served on the Department's counsel in this matter,

A. René Martin, Deputy Attorney General, at the following address:

A. René Martin
Deputy Attorney General
Idaho Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031

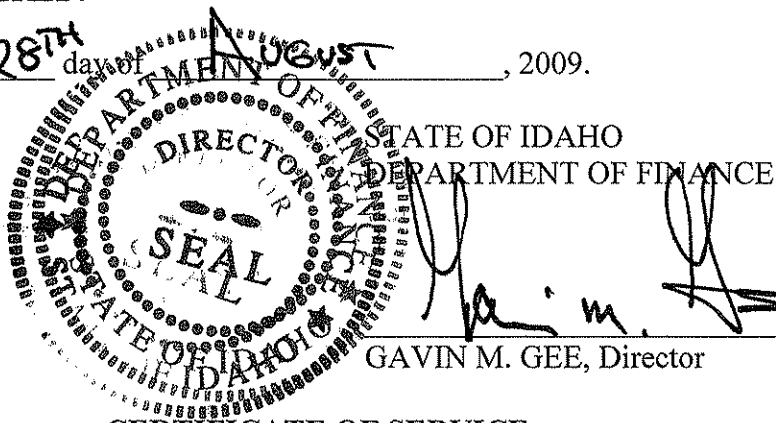
21. If the Respondent timely files a request for hearing, the Department will notify the Respondent of the date, time and place of the hearing, as well as the name and contact information of the presiding officer.

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.*

23. Pursuant to Idaho Code § 26-3108A(4)(b), if a hearing is held, the Respondent and those filing objections shall reimburse, pro rata, the Director for his reasonable and necessary expenses incurred as a result of the hearing.

IT IS SO ORDERED.

DATED this 28th day of August, 2009.



GAVIN M. GEE, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 1 day of September, 2009, I caused a true and correct 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:

Darin Andrew Stubbs
2310 Smith Avenue
Boise, Idaho 83702

- U.S. mail, postage prepaid
- Certified mail
- Facsimile
- Hand delivery

R. Hoffmann