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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:

TIMOTHY JAMES GEORGE,
NMLS ID No. 229194,

Applicant.

Docket No. 2021-16-77

**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, TIMOTHY JAMES GEORGE, a resident of the state of Arizona, holds NMLS number 229194 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 and submitted by the Applicant on June 24, 2021.

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:

(2) found you to have been involved in a violation of a financial services-related business regulation(s) or statutes(s)?

...

(4) entered an order against you in connection with a financial services-related activity?

...

(9) entered an order concerning you in connection with any license or registration?

4. The applicant responded with a "no" to each of the questions quoted above.

5. 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.

6. The examiner obtained a public record background information report through LexisNexis, which showed that the Applicant had entered into a regulatory consent order with the State of Arizona, Department of Financial Institutions (ADFI).

7. Following this, the examiner obtained a copy of the Consent Order entered into by the Applicant and ADFI on August 22, 2014. According to this Consent Order, ADFI issued an Order to Cease and Desist against the Applicant on May 9, 2014, finding that in his capacity as a loan originator from August to September of 2012, the Applicant accepted and processed a loan application in which he failed to identify potential borrower fraud and did not adequately document inconsistent information received regarding the borrower's verification of employment. The ADFI concluded that these findings were in violation of two subsections of Arizona Revised Statute § 6-991.02, which prohibit the following acts by licensed mortgage loan originators:

(I) A loan originator shall not make a false promise or misrepresentation or conceal an essential or material fact in the course of the mortgage broker or mortgage banker business.

(K) A loan originator shall not engage in illegal or improper business practices.

8. In the Consent Order, the Applicant agreed to immediately cease and desist from engaging in conduct that was subject of the ADFI's findings and pay to the ADFI a civil penalty in the amount of \$5,000.

9. The Applicant provided negative responses on his Form MU4 to disclosure questions (K)(2), (4), and (9) at the time his application was submitted to the Department on June 24, 2021.

10. The Applicant's failure to disclose the Consent Order he entered into with the ADFI 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)(2), (4) and (9).

11. 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 Arizona Consent Order 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

12. The findings 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 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..."

15. 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.

16. 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.

17. 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.

18. The Applicant failed to affirmatively answer disclosure questions (K)(2), (4), and (9) to reflect the ADFI enforcement action against him as required by Idaho Code § 26-31-305(1). This justifies 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).

19. The Director finds it appropriate to deny the application because the Applicant's failure to provide complete information on the Form MU4 regarding the consent order he entered into with the ADFI 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 AND SUBMITTED BY TIMOTHY JAMES GEORGE, NMLS NUMBER 229194, ON JUNE 24, 2021, 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:

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.

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 1st day of December 2021.



STATE OF IDAHO
DEPARTMENT OF FINANCE



PATRICIA R. PERKINS, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 15th 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:

Timothy James George
13631 N 70th Drive
Peoria, AZ 85381

- U.S. mail, postage prepaid
- certified mail
- facsimile _____
- email: tim@infinityfinancialmortgagecorp.com

Paralegal