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

)	
)	Docket No. 2018-16-03
In re Mortgage Loan Originator)	
License Application of:)	NOTICE OF INTENT TO ISSUE
)	ORDER OF DENIAL OF
ALLAN RAY EICHHORN,)	MORTGAGE LOAN ORIGINATOR
NMLS ID No. 117272,)	LICENSE APPLICATION
)	
Applicant.)	AND
)	
)	NOTICE OF THE OPPORTUNITY
)	TO REQUEST A HEARING

The Director of the 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)(b), 26-31-306(1)(d) and 26-31-306(1)(h), of the Act, hereby issues the following Notice of Denial of Mortgage Loan Originator License Application and Notice of the Opportunity to Request a Hearing.

Pursuant to Idaho Code § 26-31-305(6), ALLAN RAY EICHHORN (the Applicant) has the right to a hearing on the question of his qualifications, but to do so he must make a written request for a hearing within fifteen (15) days after the date this Notice was mailed him.

The Notice is based on the following:

BACKGROUND

1. On May 14, 2018, the Applicant, a resident of the state of Idaho, submitted a Mortgage Loan Originator License Application (Form MU4) to the Idaho Department of Finance (Department). The Form MU4 seeks information about an applicant's qualifications to be licensed as a mortgage loan originator and contains questions regarding the applicant's financial responsibility, fitness and general character. The information on the Form MU4 must also be updated with any changes through the National Mortgage Licensing System (NMLS) within thirty (30) days of any change or occurrence that affects any of the disclosures made on the original application.

2. Since 2015, the Applicant has submitted four other FORM MU4s, two that were denied and two that were granted conditionally. The circumstances leading to the denials and the conditional licenses occurred as follows:

- a. On October 7, 2015, the Applicant applied for a license and was denied on December 15, 2015, for failure to disclose relevant information such as tax liens and a petit theft conviction from 2009. The denial was based on Idaho Code § 26-30-305.
- b. After the denial, the Applicant reapplied on January 6, 2016, and the Department granted the application but imposed a number of requirements on the Applicant. His application identified ten specific debts in which he had defaulted on payment obligations, as well as the outstanding state and federal tax liens. The Department and the Applicant agreed, that as part of the conditional license, the Applicant would enter into payment plans with his ten creditors and the taxing authorities, stay current on the payment plans, and avoid any new delinquencies with other creditors. The Applicant failed to satisfy these

conditions. He did enter payment plans with all of the creditors but did not stay current on all of the payment plans and even defaulted on additional loans. The Applicant also failed to submit updates to his license application through the NMLS during the period that he held the conditional license.

- c. The Applicant applied for a license again on January 5, 2017, and the Department denied the application on February 9, 2017, because the Applicant failed to meet the conditions of his 2016 license and again failed to disclose additional judgments entered against him.
- d. The Applicant submitted another Form MU4 on March 16, 2017. After review, the Department determined there were similar problems as with the previous applications and was prepared to deny the application. At that time, the Applicant's employer intervened on his behalf and agreed to make the Applicant a secured loan of \$24,022 to pay off a number of his debts. This loan did not pay off all of the Applicant's debts, however, as he had fourteen additional accounts in which he was in default and of those, he was in four payment plans. The Department did grant the Applicant a conditional license on June 3, 2017. As part of the conditions, the Applicant entered into payment plans or negotiations with all of his creditors. On December 31, 2017, the conditional license was terminated because the Applicant failed to satisfy the conditions.

CURRENT APPLICATION

3. On May 14, 2018, the Applicant submitted his current application. As with his previously submitted Form MU4s, the Applicant failed to disclose required information and update his application through the NMLS, rendering the application materially incomplete.

4. Further, prior to filing this application, the Applicant filed a Chapter 7 bankruptcy on February 23, 2018. Presumably, if the Applicant is granted relief, a number of the debts identified by the Applicant will be discharged, but he will still be required to pay the tax debts and the secured debts. Additionally, in respect to one debt, the creditor has filed a complaint objecting to discharge pursuant to 11 U.S.C. § 523(a)(2), alleging fraud.

5. If the Applicant is granted a discharge, he will remain financially responsible for some of the debts and will be required to make updates through the NMLS of any changes or occurrences that affect any of the disclosures made on his original application and keep current the information contained in his license application. As shown with his previous applications and conditional licenses, the Applicant has demonstrated a pattern of failing to meet financial responsibility standards and has failed to submit new updates to his license application during the periods that he held conditional licenses.

LEGAL CONCLUSIONS

6. Paragraphs 1 through 5 above are fully incorporated herein by this reference.

7. 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.

8. Idaho Code § 26-31-305(1) provides that an Applicant for a mortgage loan originator license must apply through the Nationwide Mortgage License System and Registry (NMLSR), in a form required by the Director. Idaho Code § 26-31-305(3)(b)(ii) provides that applicants must submit to the Nationwide Mortgage License System and Registry (NMLSR) “[p]ersonal history and experience ... [and] information related to any administrative, civil or criminal findings by any governmental jurisdiction. . . .”

9. Pursuant to Idaho Code § 26-31-306(1)(h), before an application for license can be approved, the Applicant must provide all information on the application.

10. 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 the 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.

11. The Director finds it appropriate to deny the application because the Applicant's current application is substantially similar to all of his prior applications, which were never fully granted. In each case, the Applicant identified a number of debts that he could never resolve. Similarly, the current application identifies a number of debts that, in light of past performance, gives the Director concerns about the Applicant's overall financial responsibility, character and general fitness. 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.

NOTICE OF THE OPPORTUNITY TO REQUEST A HEARING

12. The Applicant is HEREBY NOTIFIED that the foregoing NOTICE OF INTENT TO ISSUE ORDER OF DENIAL OF MORTGAGE LOAN ORIGNATOR APPLICATION will become a final order of the Director, unless the Applicant timely submits a request for hearing 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 NOTICE. A copy of the request for contested case and hearing shall be served on Anthony Polidori, Consumer Finance Bureau Chief, at the following address:

Anthony Polidori
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, Brian D. Nicholas, Deputy Attorney General, at the same address.

13. If the Applicant timely requests a hearing, the Department 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.

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.*

DATED this 14TH day of August, 2018.



STATE OF IDAHO
DEPARTMENT OF FINANCE




GAVIN M. GEE, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 14th day of August, 2018, I caused a true and correct fully-executed copy of the foregoing NOTICE OF INTENT TO ISSUE ORDER OF DENIAL OF MORTGAGE LOAN ORIGINATOR LICENSE APPLICATION AND NOTICE OF THE OPPORTUNITY TO REQUEST A HEARING to be served on the following by the designated means:

Allan Ray Eichhorn
2866 S Bay Star Way
Meridian, ID 83642

- U.S. mail, postage prepaid
- certified mail
- facsimile _____
- email: aeichhorn20@hotmail.com



Paralegal