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

	)	
	)	Docket No. 2017-16-01
In re Mortgage Loan Originator	)	
License Application of:	)	<b>NOTICE OF DENIAL OF</b>
	)	<b>MORTGAGE LOAN ORIGINATOR</b>
ALLAN RAY EICHHORN,	)	<b>LICENSE APPLICATION</b>
NMLS ID No. 117272,	)	
	)	<b>AND</b>
Applicant.	)	
	)	<b>NOTICE OF THE OPPORTUNITY</b>
	)	<b>TO REQUEST A HEARING</b>
	)	

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) 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:

**MATTERS ASSERTED**

1. On January 6, 2016, 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 any outstanding judgements and liens that an applicant may have against him. The Applicant did not indicate on this Form MU4 that he had any outstanding judgments filed against him and was issued a Conditional Mortgage Loan Originator License on February 10, 2016. A conditional license was issued because, after a review of the Applicant's credit report, the Department determined that he failed to meet the financial responsibility requirement under the Act. The Applicant did, however, propose acceptable resolutions towards meeting that requirement such as satisfying payment plans with his creditors.

2. As part of the conditions to maintain his license, the Applicant also agreed, pursuant to the Conditional Mortgage Loan Originator License Agreement that he signed, to update and keep current the information contained in his license application. Specifically, the Applicant was required to submit all updated information through the National Mortgage Licensing System (NMLS) within thirty (30) days of any change or occurrence that affected any of the disclosures made on his original application. The Applicant submitted no new updates to his license application during the time period that he held the conditional license.

3. The Applicant applied for a license renewal and reinstatement on January 5, 2017. On the Form MU4, the Applicant marked a "yes" to the question of whether he had any outstanding judgments or liens against him and, in the additional Disclosure Explanations section

of the form pertaining to that “yes” answer, the Applicant provided information for one unsatisfied federal tax lien.

4. As part of the review process of all license applicants, the Department obtained a copy of the Applicant’s credit report. The Applicant’s credit report indicated that there was an outstanding judgement awarded against the Applicant on May 19, 2016 in the amount of \$629 in favor of Sutherland Farm Homeowner’s Association.

5. An Examiner for the Department then conducted additional research regarding the judgment against the Applicant through the Idaho court records website, <https://mycourts.idaho.gov>. That search uncovered two other outstanding judgments<sup>1</sup> entered against the Applicant which were not disclosed in the explanations portion of the form regarding judgments and liens:

- a. November 18, 2015 - Collections Bureau Inc. was awarded a judgment against the Respondent in the amount of \$4,432.82; and
- b. August 5, 2016 - Connections Credit Union was awarded a judgment against the Respondent in the amount of \$29,510.92.

6. The Applicant failed to disclose the November 18, 2015 judgment on his 2016 License application and also failed to submit information on the NMLS regarding the May 19, 2016 and August 5, 2016 judgments as part of his conditional license agreement during the 2016 licensing period; further, the Applicant failed to disclose the three outstanding judgments on the Form MU4 form that he submitted on January 5, 2017.

#### **LEGAL CONCLUSIONS**

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

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<sup>1</sup> The 2015 judgment was not represented on the Applicant’s credit report obtained for the 2016 license application and neither judgment is currently being reported.

8. 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.

9. 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. . . .”

10. 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.

11. 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.

12. Pursuant to Idaho Code § 26-31-313, the Director may deny a license if an applicant withholds information or makes a material misstatement in an application for licensure.

13. The Applicant made a material misstatement of fact in his application which is grounds to deny his application for licensure. He failed to disclose the three recorded judgments of record identified in paragraphs 4 and 5. The failure to disclose these items prohibits the Director from issuing a license to the Applicant pursuant to Idaho Code § 26-31-306(1)(h).

14. The Director finds it appropriate to deny the application because the Applicant's failure to disclose the outstanding judgments filed against him shows 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.

**DENIAL OF MORTGAGE LOAN ORIGINATOR**

**LICENSE APPLICATION**

**NOW, THEREFORE, BASED ON THE FOREGOING, AND PURSUANT TO IDAHO CODE §§ 26-31-305 AND 26-31-313, THE APPLICATION FOR A MORTGAGE LOAN ORIGINATOR LICENSE SUBMITTED TO THE DEPARTMENT ON JANUARY 5, 2017, BY ALLAN RAY EICHHORN IS HEREBY DENIED.**

**NOTICE OF THE OPPORTUNITY TO REQUEST A HEARING**

15. The Applicant is HEREBY NOTIFIED that the foregoing DENIAL OF MORTGAGE LOAN ORIGINATOR 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 Proposed Order. A copy of the request for contested case and 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 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.

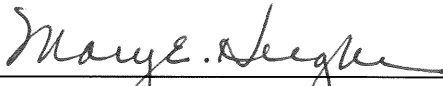
16. If the Applicant timely requests a hearing, the Department will notify the Applicant of the date, time and place of the hearing, as well as the name and contact information of the presiding officer.

17. 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 9<sup>th</sup> day of February, 2017.



STATE OF IDAHO  
DEPARTMENT OF FINANCE

  
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MARY E. HUGHES, Acting Director

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 9<sup>th</sup> day of February, 2017, I caused a true and correct fully-executed copy of the foregoing ORDER DENYING 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

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Paralegal 