



COLORADO

Department of
Regulatory Agencies

Division of Real Estate

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MORTGAGE LOAN ORIGINATOR BOARD MINUTES

January 17, 2024

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**MORTGAGE LOAN ORIGINATOR BOARD
MEETING
VIA Webinar
January 17, 2024
COLORADO DIVISION OF REAL ESTATE**

A Mortgage Loan Originator Board public meeting was held on January 17, 2024 via webinar. Those Board Members in attendance were Dena Falbo, Chair; Aaron Salladay, Vice-Chair; Cindy Emerine; Jennifer Meckstroth; and Shirley Thielen.

Attending from the Division of Real Estate were Marcia Waters, Director; Eric Turner, Deputy Director; David Donnelly, Education, Communication and Policy Manager; Melissa Phipps, Senior Advisor; Penny Elder, ESP Manager; Sarah Halloran, Program Team Lead; Nicole Tribelhorn, Program Team Lead and Doreen Archuleta, Board Management. Gina Simonson; Irina Grohne and Anthony Lally are present via webinar from the Attorney General's Office.

Notice of the meeting was timely published and the meeting was held pursuant to the Colorado Sunshine Laws, Title 24, Article 6, C.R.S., as amended.

The meeting was conducted via Webinar. The meeting was called to order by Ms. Falbo, Chairwoman, at 9:03 a.m.

ORDER OF BUSINESS

Approval of Minutes - November 15, 2023

It was moved by Mr. Salladay and seconded by Ms. Meckstroth to approve the Minutes of November 15, 2023 as submitted.



MLO

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Motion unanimously carried.

PUBLIC COMMENT: None

POLICY MATTERS:

A. Physical Presence Requirements for Licensure -

The Board discussed requiring additional education in Colorado-specific regulations for non-resident originators.

Agenda Items for Next Meeting - None

EXECUTIVE SESSION:

At 9:11 a.m., it was moved by Ms. Falbo, seconded by Ms. Emerine, and approved by more than two-thirds vote of the Board that pursuant to §24-6-402(3)(a)(II), C.R.S., concerning disputes that are the subject of pending or imminent court action and/or for the purpose of receiving legal advice on specific legal questions concerning the legal requirements for discipline and licensure for the following matters:

- Complaint Matter B - Complaint #2022-2191 (JL);
- Licensing Matter A - Complaint #2023-1880 (BW);
- Licensing Matter B - Complaint #2023-2207 (DS); and
- Licensing Matter C - Complaint #2023-2205 (BO)

Executive Session is conducted via conference call. Present from the Attorney General's Office are: Gina Simonson, Anthony Lally, and Irina Grohne.

The Board adjourned out of Executive Session at 9:39 a.m. and the Board returned to open session at 9:45 a.m.

COMPLAINT MATTERS:

A. Complaint #2023-1888 (JH) -

The investigative report concerning the complaint filed against the respondent in Complaint #2023-1888 (JH) was presented to the Board with accompanying documentation and information.

- A. On August 7, 2023, the respondent entered a plea of guilty to Assault 3 - Know/Reckless - Cause Injury, a class one misdemeanor. The respondent was ordered to complete two years of unsupervised probation, 25 hours of community service and pay \$45.00 in court costs and fees. The respondent did not disclose this conviction to the Board and has not responded to the Division's Notification Letter or Final Notice.
- B. This is a possible violation of:
 - a. § 12-10-713(1)(p), C.R.S. - failure to notify conviction/plea;
 - b. § 12-10-713(1)(n), C.R.S. - conviction;
 - c. § 12-10-713(1)(m), C.R.S. - any part 9 or rule violation;
 - d. Board Rule 5.9 - duty to respond.

Following discussion, it was moved by Mr. Salladay and seconded by Ms. Thielen for a settlement offer of a Stipulation for Diversion to include payment of a fine in the amount of \$1,000 (plus 15% mandatory surcharge); and licensing suspension concurrent with the period of criminal probation.

Ms. Meckstroth is opposed. **Motion carried.**

B. Complaint #2022-2191 (JL) -

The investigative report concerning the complaint filed against the respondent in Complaint #2022-2191 (JL) was presented to the Board with accompanying documentation and information.

- A. In October of 2022, the complainant hired the respondent to act as the originator for her bridge loan transaction. The complainant states that on November 8,

2022, two days prior to the loan deadline, the respondent assured her that her loan was in good standing and that there would be no issues with reaching closing. Subsequently, the appraisal for the purchase property was completed and reported the purchase property to be in C5 condition. The appraiser verified that the respondent ordered the appraisal on November 7, 2022, three days after the appraisal deadline. Contrary to the allegation that the loan was denied shortly after November 10, 2022, the lender confirmed that the loan was still in good standing as late as November 15, 2022. The transaction did not close and as a result, the borrower lost \$6,000.00 in earnest money. The complainant noted that if the respondent had been upfront about the loan status and adhered to deadlines, she would have terminated the contract prior to the loan availability deadline and received her earnest money back.

B. This is a possible violation of:

a. § 12-10-713(1)(q), C.R.S. - unworthiness, incompetence.

Following discussion, it was moved by Ms. Meckstroth and seconded by Ms. Thielen for a settlement offer of a Stipulation for Diversion to include payment of restitution in the amount of \$2,000.

Motion unanimously carried.

LICENSING MATTERS:

A. Complaint #2023-1880 (BW) - License Application -

The Board considered this application for a mortgage loan originator's license together with accompanying documentation and information supplied by the applicant.

In a multi-state investigation, it was determined that a former NMLS education provider, Real Estate Educational Services (REES) completed in-person and online education on behalf of hundreds of MLOs across the nation. REES granted course credit to the MLOs who had enrolled in the approved courses but who neither attended the course nor completed the coursework necessary to receive course credit. As a result of the REES settlement Respondent agreed to the following:

- Surrender all current MLO licenses and withdraw all MLO license applications of participating State Mortgage Regulators;
- Wait at least 90 days from December 30, 2021 before applying for, or seeking reinstatement of, an MLO license;
- Pay \$1,000 in administrative fines to California State Mortgage Regulators; and
- Complete 28 hours MLO education courses prior to applying for, or seeking reinstatement of, an MLO license.

It was moved by Ms. Meckstroth and seconded by Ms. Emerine to approve the license application.

Motion unanimously carried.

B. Complaint #2023-2207 (DS) - License Application -

The Board considered this application for a mortgage loan originator's license together with accompanying documentation and information supplied by the applicant.

In a multi-state investigation, it was determined that a former NMLS education provider, Real Estate Educational Services (REES) completed in-person and online education on behalf of hundreds of MLOs across the nation. REES granted course credit to the MLOs who had enrolled in the approved courses but who neither attended the course nor completed the coursework necessary to receive course credit. As a result of the REES settlement Respondent agreed to the following:

- Surrender all current MLO licenses and withdraw all MLO license applications of participating State Mortgage Regulators;
- Wait at least 90 days from December 20, 2021 before applying for, or seeking reinstatement of, an MLO license;
- Pay \$4,000 in administrative fines to be divided equally between the participating State Mortgage Regulators; and
- Complete 28 hours MLO education courses prior to applying for, or seeking reinstatement of, an MLO license.

It was moved by Ms. Emerine and seconded by Ms. Meckstroth to approve the license application.

Motion unanimously carried.

C. Complaint #2023-2205 (BO) - License Application -

The Board considered this application for a mortgage loan originator's license together with accompanying documentation and information supplied by the applicant.

The applicant disclosed a 2011 Bank Fraud conviction that was subsequently pardoned in 2021. As a result of the conviction, the applicant surrendered his North Carolina MLO license in 2012. Subsequently, North Carolina modified their order against the applicant and issued him a MLO license on June 15, 2023.

It was moved by Ms. Falbo and seconded by Ms. Emerine to approve the license application.

Motion unanimously carried.

D. Complaint #2023-2249 (EK) - Preliminary Advisory Opinion -

The Board considered this application for a preliminary advisory opinion for a mortgage loan originator's license together with accompanying documentation and information supplied by the applicant.

On June 20, 2023, the applicant was convicted of Vehicular Assault-Reckless a Class 5 Felony. The applicant was sentenced to 3 years of probation and a fine of \$2,273.50 with a balance of \$1,900.00. The applicant is set to pay \$80.00 a month.

It was moved by Mr. Salladay and seconded by Ms. Emerine to issue a negative opinion.

Motion unanimously carried.

NOTE: Ms. Falbo recuses herself from consideration of Licensing Matter E - Complaint #2023-2042 (JL) and leaves the webinar at 10:46 a.m. Mr. Salladay assumes the role of Chair of the Board.

E. Complaint #2023-2042 (JL) - Preliminary Advisory Opinion -

The Board considered this application for a preliminary advisory opinion for a mortgage loan originator's license together with accompanying documentation and information supplied by the applicant.

In December 1996, the applicant was convicted of Larceny by Bailee, a Felony. The applicant was sentenced to 18-months and not more than 24-months in the Department of Corrections, with 275-days' time served, 3 years of probation and a fine of \$263.00. The applicant was ordered to pay restitution in the amount of \$1,170.00. The applicant has completed all terms of probation. The case is closed.

In January 1996, the applicant was convicted of Conspiracy to Commit Burglary, Burglary, and Grand Larceny, all Felonies. The applicant was sentenced to a term of no less than 2 years -no more than 8 years in the Department of Corrections, 5 years of probation and ordered to pay restitution in the amount of \$2,813.55. The applicant has completed all sentencing terms. The case is closed.

On November 22, 1996, the applicant was convicted of a Felony-Unlawful Manufacture or Delivery of a Controlled Substance. The applicant was sentenced to the Department of Corrections for 18-months; not less than 36 months, 2 years of probation that is concurrent with above case and a fine of \$2,000.00 with \$1,500.00 suspended. The applicant has completed all terms of probation. The case is closed.

It was moved by Mr. Salladay and seconded by Ms. Emerine to issue a positive opinion.

Motion carried.

NOTE: Ms. Falbo returns to the webinar at 10:51 a.m. and resumes the duties as Chair of the Board.

F. Complaint #2023-2153 (WS) - License Application -

The Board considered this application for a mortgage loan originator's license together with accompanying documentation and information supplied by the applicant.

On May 16, 2016, the applicant was convicted of a Misdemeanor- Aggravated Assault. The applicant was sentenced to 18 months of probation and ordered to pay restitution in the amount of \$9,825.43. The applicant has completed probation, 300 hours of Community Service and has paid the restitution in full. The case is closed.

It was moved by Ms. Thielen and seconded by Mr. Salladay to approve the license application.

Motion unanimously carried.

Adjourn

The MLO Board meeting adjourned at 10:55 a.m. on January 17, 2024.

Dena Falbo, Chair

Aaron Salladay, Vice-Chair

Cindy Emerine, Board Member

Jennifer Meckstroth, Board Member

Shirley Thielen, Board Member

Marcia Waters, Director
Colorado Division of Real Estate