

**MORTGAGE LOAN ORIGINATOR BOARD
MINUTES
July 20, 2022**

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**MORTGAGE LOAN ORIGINATOR BOARD
MEETING
VIA Webinar
July 20, 2022
COLORADO DIVISION OF REAL ESTATE**

A Mortgage Loan Originator Board public meeting was held on July 20, 2022 via webinar. Those Board Members in attendance were Dena Falbo, Chair; Jennifer Heinrich, Vice-Chair; Cindy Emerine; Fred Joseph and Charles "Buzz" Moore. (Mr. Moore joined at 9:47 a.m.)

Attending from the Division of Real Estate were Marcia Waters, Director; Eric Turner, Deputy Director; Natalie Lutz, Senior Advisor; Sarah Halloran, Program Team Lead; Nicole Tribelhorn, Program Team Lead; Eddie Rose, Program Team Lead; and Doreen Archuleta, Board Management. Devin Laiho is 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.

Due to closures of public spaces because of the Coronavirus pandemic, the meeting was conducted via Webinar. The meeting was called to order by Ms. Falbo, Chairwoman, at 9:00 a.m.

ORDER OF BUSINESS

Approval of Minutes - May 18, 2022

It was moved by Ms. Emerine and seconded by Ms. Heinrich to approve the Minutes of May 18, 2022 as submitted.



MLO Minutes_May
18, 2022.pdf

Motion unanimously carried.

POLICY MATTERS: None

Agenda Items for Next Meeting - None

PUBLIC COMMENT: None.

COMPLAINT MATTERS:

A. Complaint #2021-1549 (JM) -

The investigative report concerning the complaint filed against the respondent in Complaint #2021-1549 (JM) was presented to the Board with accompanying documentation and information.

- A. The complainant alleged that the respondent, an MLO for his home purchase misrepresented a loan being clear to close, resulting in a missed loan termination deadline and a \$3,000.00 earnest money deposit loss. The complainant also alleged that the respondent promised to reimburse him the lost earnest money, but did not do so. During the investigation, the respondent failed to provide a complete loan transaction file. The investigation found that the complainant's financial state was not materially different during a second attempted purchase mortgage loan by the respondent. The second transaction terminated after the inspection and appraisal with no loss of earnest money.
- B. This is a possible violation of:
 - a. § 12-10-711(1)(q), C.R.S. - unworthiness, incompetence.

Following discussion, it was moved by Ms. Emerine and seconded by Ms. Heinrich for a settlement offer to include a Stipulation for Diversion and payment of restitution to the complainant in the amount of \$3,000.

Motion unanimously carried.

NOTE: Licensing Matters were taken out of Agenda order so that Licensing Matters A, D and H could be discussed in Executive Session.

LICENSING MATTERS:

B. Complaint #2022-791 (SC) - 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 08/06/09, the applicant was convicted of 273.5(A) PC-Domestic Battery with Corporal Injury, a misdemeanor, and sentenced to 3 years informal probation, 20 days of work release in lieu of jail, enrollment in the Batterers' Treatment Program and 8 hours of community service. Subsequently, the applicant violated the probation on 4 separate occasions and was ultimately ordered to serve a total of 60 days in jail. The applicant completed the probation in 04/2014.

On 05/21/19, the applicant was convicted of two counts of 240 PC-Assault, both misdemeanors, and was sentenced to 3 years informal probation, 30 days jail stayed pending completion of a 10-week anger management program. As of the date of this report, it appears that the probation is ongoing but should be close to completion.

It was moved by Mr. Joseph and seconded by Ms. Emerine to deny the license and allow the applicant to withdraw the license application. The denial is based on § 12-10-711(1)(g), C.R.S.

Motion unanimously carried.

C. Complaint #2022-812 (AM) - License Application -

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

Upon application for a Colorado MLO license, the applicant stated he had been terminated from 3 financial institutions between 2013 and 2017.

It was moved by Ms. Emerine seconded by Mr. Joseph to deny the license and allow the applicant to withdraw the license application. The denial is based on § 12-10-711(1)(g), C.R.S.; § 12-10-704, C.R.S.; and § 12-10-713(1)(m), C.R.S.

Motion unanimously carried.

E. Complaint #2022-790 (OS) - 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 March 17, 2021, the applicant plead guilty to Possession With Intent - a class three felony. The applicant was sentenced to two years of probation and ordered to pay \$5,460.50 in court costs and fines. All costs have been paid and probation is ongoing.

It was moved by Ms. Emerine seconded by Mr. Joseph to deny the license and allow the applicant to withdraw the license application. The denial is based on § 12-10-711(2)(c), C.R.S.

Motion unanimously carried.

F. Complaint #2022-670 (QG) - 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 December 3, 1998, the applicant plead guilty to Theft, a class three misdemeanor. The applicant was ordered to complete 30 days of jail time, one year of unsupervised probation, pay \$1,525.00 in restitution and \$258.56 in court costs. The court declined to verify payment of fines and completion of terms.

On January 22, 1999, the applicant plead guilty to Theft, a class A misdemeanor. The applicant was ordered to completed one year of supervised probation and pay \$127.50 in court costs. Probation was successfully completed on November 9, 1999, and all costs were paid.

On August 17, 1999, the applicant plead guilty to Carrying a Concealed Weapon, a class A misdemeanor. The applicant was ordered to complete 48 hours of jail time and pay \$327.50 in court costs. The court declined to verify payment of fines and completion of terms.

On December 9, 2002, the applicant was found guilty of Failure to Appear, a misdemeanor.

On April 3, 2003, the applicant plead guilty to Theft, a Class A Misdemeanor. The applicant was ordered to pay \$275.00 in court costs. The court declined to verify payment of fines and completion of terms.

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

Motion unanimously carried.

G. Complaint #2022-811 (DH) - 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 November 15, 2017, the applicant was denied a Colorado Mortgage Loan Originator License. On October 16, 2012, the applicant entered a plea of guilty to petty theft, a misdemeanor. The applicant was ordered to pay a \$50.00 fine and complete one year of probation. All terms were completed on April 9, 2014. On September 30, 2013, the applicant entered a plea of guilty to Hit and Run - Property Damage, a misdemeanor. The applicant was ordered to complete 20 days in jail (with credit for eight days served) and pay \$245.00 in court costs and restitution. All terms were completed on June 2, 2014.

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

Motion unanimously carried.

NOTE: Mr. Buzz Moore joins the webinar at 9:47 a.m.

I. Complaint #2022-934 (SD) - 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 September 20, 2017, the applicant was convicted of False Information to a Police Officer, a misdemeanor. The applicant was sentenced to a fine of \$227.00. The applicant has paid the fine in full. The case is closed.

It was moved by Mr. Joseph seconded by Mr. Moore to deny the license and allow the applicant to withdraw the license application. The denial is based on § 12-10-711(1)(g), C.R.S.

Motion unanimously carried.

EXECUTIVE SESSION:

At 9:51 a.m., it was moved by Ms. Falbo, seconded by Mr. Joseph, 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 regarding:

- A. Licensing Matter A - Complaint #2022-722 (AB)
- B. Licensing Matter D - Complaint #2022-789 (CG)
- C. Licensing Matter H - Complaint #2022-891 (JC)

Motion unanimously carried.

Executive Session is conducted via conference call.

The Board adjourned out of Executive Session at 10:17 a.m. and the Board returned to open session at 10:20 a.m.

A. Complaint #2022-722 (AB) - License Application -

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

On 12/30/2021, the applicant entered into a 10-state Consent Order requiring him to surrender his MLO license in all 10 states for a period of 3 months before he could reapply for a new license in any of the states. He was also required to pay \$10,000 in fines split equally among the states and complete 20 hours of PE and 8 hours of CE. The Consent Order stems from an NMLS investigation that learned of suspicious activity regarding a MLO education cheating scheme. The investigation found that the course provider gave fraudulent course credit to MLOs who did not attend the respective in-person and online courses. The applicant admitted to participating in the scheme by accepting 11 PE and/or CE completed by the course provider on the applicant's behalf under the "In-person Education Scheme" and 8 PE and/or CE completed by the course provider on the applicant's behalf under the "Online Education Scheme". The applicant was previously licensed in Colorado as an MLO; however, Colorado was not a participating state in the Consent Order. As such, the Division does not have record of the applicant notifying the Division of the Consent Order. The applicant has begun the process of reapplying in the 10 states and has obtained his new license in 8 of the 10 states so far. The applicant has no reported criminal history.

It was moved by Ms. Emerine and seconded by Ms. Heinrich to deny the license based on § 12-10-713(1)(r), C.R.S.; and § 12-10-711(1)(g), C.R.S.

Motion unanimously carried.

D. Complaint #2022-789 (CG) - License Application -

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

The applicant answered yes to NMLS questions (K) and (M) regarding Regulatory Action. The applicant disclosed to the NMLS that he agreed to surrender his license in 15 states for three (3) months and pay an administrative penalty of \$15,000 for using a company to fulfill 71 hours of his education requirements. Due to the use of the company to fulfill his education, The Georgia Department of Banking and Finance revoked his company's mortgage lender license. His individual license subsequently expired. He also disclosed that he was fined \$2,500 by the State of California for failure to submit an Annual Report on time. He is currently licensed as an MLO in 9 states.

It was moved by Mr. Joseph and seconded by Mr. Moore to deny the license based on § 12-10-711(1)(g), C.R.S.; § 12-10-713(1)(r), C.R.S.; § 12-10-713(1)(v), C.R.S.; and § 12-10-713(1)(w), C.R.S.

Motion unanimously carried.

H. Complaint #2022-891 (JC) - License Application -

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

As a result of involvement with a mortgage loan originator testing and education scheme, on December 17, 2021, the applicant entered into a Consent Order and Agreement relinquishing his mortgage loan originator license in nine states for 90 days. The applicant agreed to the following terms:

- No reapplication with state mortgage regulators for a period of 90 days from the effective date of the settlement;
- Administrative penalty of \$1,000.00 to each state in which a license is held, and is a signatory on the order;
- Retake 20 hours of Pre-licensing Education; and
- Complete eight hours of late Continuing Education.

All terms of the order have been completed.

It was moved by Ms. Emerine and seconded by Mr. Joseph to deny the license based on § 12-10-711(1)(g), C.R.S.; § 12-10-713(1)(r), C.R.S.; § 12-10-713(1)(v), C.R.S.; and § 12-10-713(1)(w), C.R.S.

Motion unanimously carried.

Thanks and Farewell - Board Members Charles "Buzz" Moore and Fred Joseph.

Adjourn

The MLO Board meeting adjourned at 10:37 a.m. on July 20, 2022.

Dena Falbo, Chair

Jennifer Heinrich, Vice-Chair

Cindy Emerine, Board Member

Fred Joseph, Board Member

Charles "Buzz" Moore, Board Member

Marcia Waters, Director
Colorado Division of Real Estate