

ORDER SUMMARY
Consumer Services Division Case Number C-17-2145

Consent Orders resolve investigations. In these, companies and individuals work with us to agree to terms that resolve the alleged issues in the investigation.

Name	Kristine M. Moreland, MLO NMLS #173304
Order Number	C-17-2145-24-CO08
Date issued	9/18/2024

What does this Consent Order require?

- Must pay Investigation Fee balance of \$5,350.00 per the payment schedule in Appendix A.
- Must pay Financial Literacy Payment balance of \$11,500.00 per the payment schedule in Appendix B.
- Must completely cooperate with the Department in the event of default and entry of Confession of Judgment.
- All terms of C-17-2145-21-CO05 and C-17-2145-21-CO07 (other than those amended of this Second Amended Consent Order) remain in full force and effect.

Need more information?

You can contact the Consumer Services Division, Enforcement unit at (360) 902-8703 or cseforcecomplaints@dfi.wa.gov. *Please remember that we cannot provide financial or legal advice to members of the public. We also cannot release confidential information.*

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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES**

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IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Consumer Loan Act of Washington by:

No.: C-17-2145-24-CO08

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KRISTINE M. MORELAND,
Mortgage Loan Originator, NMLS #173304,

SECOND AMENDED
CONSENT ORDER

Respondent.

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COMES NOW the Director of the Department of Financial Institutions (Director), through his
designee Ali Higgs, Director, Division of Consumer Services, and Kristine M. Moreland
(Respondent), and both finding that the issues raised in the above-captioned matter may be
economically and efficiently settled, agree to the entry of this Second Amended Consent Order . This
Second Amended Consent Order is entered pursuant to Revised Code of Washington (RCW) 31.04,
the Consumer Loan Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, based on
the following:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and
Respondent entered into Consent Order No. C-17-2145-21-CO05 (Consent Order) (attached) on or
about June 10, 2021. In the Consent Order, Respondent agreed to make payments for financial
literacy and education programs authorized under RCW 43.320.150 (Financial Literacy Payment) and
for an Investigation Fee to the Department as specified in the Consent Order. Because Respondent
was unable to fully comply with the payment terms of the Consent Order, the Department and
Respondent agreed to the entry of an Amended Consent Order (Amended Consent Order) on or about

1 December 10, 2021 (attached), modifying the payment terms. During the course of the Amended
2 Consent Order, the Department and Respondent agreed to change the payment terms. Due to certain
3 circumstances outside Respondent's control, Respondent could not comply with the changed
4 payment plan. Upon request of Respondent to amend the payment schedule and considering the facts
5 presented, the Department and Respondent agree to the entry of this Second Amended Consent Order
6 detailing a revised payment plan and additional provisions in the event of default by Respondent.
7 Pursuant to RCW 31.04.093(7) and RCW 34.05.060, Respondent and the Department agree to entry
8 of this Second Amended Consent Order and further agree that the matters alleged herein may be
9 economically and efficiently settled by the entry of this Second Amended Consent Order. The parties
10 intend this Second Amended Consent Order to address the letter sent to Respondent on or about June
11 18, 2024. Based on the foregoing:

12 **A. Investigation Fee.** It is AGREED that the outstanding balance for the Investigation
13 Fee is \$6,350.00. It is FURTHER AGREED that Respondent shall pay to the Department \$1,000.00
14 upon entry of this Second Amended Consent Order in the form of a cashier's check made payable to
15 the "Washington State Treasurer." It is FURTHER AGREED that Respondent shall pay to the
16 Department the remaining \$5,350.00 of the Investigation Fee by cashier's checks made payable to the
17 "Washington State Treasurer" as set forth in Appendix A.

18 **B. Financial Literacy Payment.** It is AGREED that Respondent shall pay to the
19 Department the remaining \$11,500 of the Financial Literacy Payment in the form of cashier's checks
20 made payable to the "Washington State Treasurer" as set forth in Appendix B.

21 **C. Acceleration Clause.** At the option of the Department, if any payment due pursuant
22 to the schedule delineated in the appendices is more than fifteen (15) days past due, the entire
23 balance remaining on the Investigation Fees from Paragraph A and on the Financial Literacy

1 Payment from Paragraph B shall become due and payable immediately without notice to Respondent.
2 The Department may pursue all available legal remedies, including entry of a Confession of
3 Judgment consistent with chapter 4.60 RCW.

4 **D. Complete Cooperation with the Department.** It is AGREED that in the event the
5 Acceleration Clause in Paragraph D is invoked by the Department, upon written request by the
6 Department, Respondent shall provide the Department with a signed and notarized Confession of
7 Judgment consistent with chapter 4.60 RCW for the entire balance remaining at that time of the
8 Investigation Fees and Financial Literacy Payment from Paragraphs A and B. It is FURTHER
9 AGREED that Respondent shall, upon the Department's request, fully and promptly cooperate with
10 the Department in its efforts to get the Confession of Judgment entered by the superior court.
11 Respondent understands that failure to cooperate fully and completely would constitute a breach of
12 this Second Amended Consent Order and a violation of the Act, which may result in sanctions.

13 **E. Other Terms Shall Remain in Effect.** It is AGREED that all terms of the Consent
14 Order and Amended Consent Order other than those amended in Paragraphs A and B of this Second
15 Amended Order shall remain in full force and effect to the extent those terms do not conflict with any
16 terms of this Second Amended Consent Order.

17 **F. Authority to Execute Order.** It is AGREED that the undersigned have represented
18 and warranted that they have the full power and right to execute this Second Amended Consent Order
19 on behalf of the parties represented.

20 **G. Non-Compliance with Order.** It is AGREED that Respondent understands that
21 failure to abide by the terms and conditions of this Second Amened Consent Order may result in
22 further legal action by the director. In the event of such legal action, Respondent may be responsible
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1 to reimburse the Director for the cost incurred in pursuing such action, including, but not limited to,
2 attorney fees.

3 **H. Voluntarily Entered.** It is AGREED that Respondent has voluntarily entered into
4 this Second Amended Consent Order, which is effective when signed by the Director's designee.

5 **I. Completely Read, Understood, and Agreed.** It is AGREED that Respondent has
6 read this Second Amended Consent Order in its entirety and fully understands and agrees to all of the
7 same.

8 **J. Counterparts.** This Amended Order may be executed by the Respondent in any
9 number of counterparts, including by facsimile or e-mail of a .pdf or similar file, each of which shall
10 be deemed to be an original, but all of which, taken together, shall constitute one and the same
11 Amended Order.

12 **RESPONDENT:**

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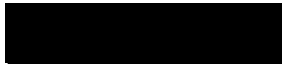
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THIS ORDER ENTERED THIS 18th DAY OF September, 2024.



ALI HIGGS, Director
Division of Consumer Services
Department of Financial Institutions

Presented by:



JAMES R. BRUSSELBACK
Acting Enforcement Chief

Appendix A – Investigation Fee

Balance Due: \$5,350.00

<u>Payment No.</u>	<u>Payment Due Date</u>	<u>Payment Amount</u>
1	October 1, 2024	\$100
2	November 1, 2024	\$100
3	December 1, 2024	\$100
4	January 1, 2025	\$100
5	February 1, 2025	\$100
6	March 1, 2025	\$100
7	April 1, 2025	\$100
8	May 1, 2025	\$100
9	June 1, 2025	\$100
10	July 1, 2025	\$100
11	August 1, 2025	\$100
12	September 1, 2025	\$100
13	October 1, 2025	\$100
14	November 1, 2025	\$100
15	December 1, 2025	\$100
16	January 1, 2026	\$100
17	February 1, 2026	\$100
18	March 1, 2026	\$100
19	April 1, 2026	\$100
20	May 1, 2026	\$100
21	June 1, 2026	\$100
22	July 1, 2026	\$100
23	August 1, 2026	\$100
24	September 1, 2026	\$100
25	October 1, 2026	\$100
26	November 1, 2026	\$100
27	December 1, 2026	\$100
28	January 1, 2027	\$100
29	February 1, 2027	\$100
30	March 1, 2027	\$100
31	April 1, 2027	\$100
32	May 1, 2027	\$100
33	June 1, 2027	\$100
34	July 1, 2027	\$100
35	August 1, 2027	\$100
36	September 1, 2027	\$100

37	October 1, 2027	\$100
38	November 1, 2027	\$100
39	December 1, 2027	\$100
40	January 1, 2028	\$100
41	February 1, 2028	\$100
42	March 1, 2028	\$100
43	April 1, 2028	\$100
44	May 1, 2028	\$100
45	June 1, 2028	\$100
46	July 1, 2028	\$100
47	August 1, 2028	\$100
48	September 1, 2028	\$100
49	October 1, 2028	\$100
50	November 1, 2028	\$100
51	December 1, 2028	\$100
52	January 1, 2029	\$100
53	February 1, 2029	\$100
54	March 1, 2029	\$50

Appendix B – Financial Literacy

Balance Due: \$11,500.00

<u>Payment No.</u>	<u>Payment Due Date</u>	<u>Payment Amount</u>
55	April 1, 2029	\$200
56	May 1, 2029	\$200
57	June 1, 2029	\$200
58	July 1, 2029	\$200
59	August 1, 2029	\$200
60	September 1, 2029	\$200
61	October 1, 2029	\$200
62	November 1, 2029	\$200
63	December 1, 2029	\$200
64	January 1, 2030	\$200
65	February 1, 2030	\$200
66	March 1, 2030	\$200
67	April 1, 2030	\$200
68	May 1, 2030	\$200
69	June 1, 2030	\$200
70	July 1, 2030	\$200
71	August 1, 2030	\$200
72	September 1, 2030	\$200
73	October 1, 2030	\$200
74	November 1, 2030	\$200
75	December 1, 2030	\$200
76	January 1, 2031	\$200
77	February 1, 2031	\$200
78	March 1, 2031	\$200
79	April 1, 2031	\$200
80	May 1, 2031	\$200
81	June 1, 2031	\$200
82	July 1, 2031	\$200
83	August 1, 2031	\$200
84	September 1, 2031	\$200
85	October 1, 2031	\$200
86	November 1, 2031	\$200
87	December 1, 2031	\$200
88	January 1, 2032	\$200
89	February 1, 2032	\$200
90	March 1, 2032	\$200

91	April 1, 2032	\$200
92	May 1, 2032	\$200
93	June 1, 2032	\$200
94	July 1, 2032	\$200
95	August 1, 2032	\$200
96	September 1, 2032	\$200
97	October 1, 2032	\$200
98	November 1, 2032	\$200
99	December 1, 2032	\$200
100	January 1, 2033	\$200
101	February 1, 2033	\$200
102	March 1, 2033	\$200
103	April 1, 2033	\$200
104	May 1, 2033	\$200
105	June 1, 2033	\$200
106	July 1, 2033	\$200
107	August 1, 2033	\$200
108	September 1, 2033	\$200
109	October 1, 2033	\$200
110	November 1, 2033	\$200
111	December 1, 2033	\$200
112	January 1, 2034	\$100

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **DIVISION OF CONSUMER SERVICES**

4 IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Consumer Loan Act of Washington by:

No.: C-17-2145-21-CO07

AMENDED CONSENT ORDER

5 KRISTINE M. MORELAND,
Mortgage Loan Originator, NMLS #173304,

6 Respondent.

7
8 COMES NOW the Director of the Department of Financial Institutions (Director), through his
9 designee Lucinda Fazio, Director, Division of Consumer Services, and Kristine M. Moreland
10 (Respondent), and both finding that the issues raised in the above-captioned matter may be
11 economically and efficiently settled, agree to the entry of this Amended Consent Order (Amended
12 Order). This Amended Order is entered pursuant to Revised Code of Washington (RCW) 31.04, the
13 Consumer Loan Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, based on the
14 following:

15 **AGREEMENT AND ORDER**

16 The Department of Financial Institutions, Division of Consumer Services (Department) and
17 Respondents entered into Consent Order No. C-17-2145-21-CO05 (Consent Order) on or about June
18 10, 2021. In the Consent Order, the parties agreed that Respondent would make a payment for
19 purposes of financial literacy and education programs authorized under RCW 43.320.150 (Financial
20 Literacy Payment) and pay an Investigation Fee to the Department no later than September 30, 2021.
21 The Department and Respondent agree that payment on September 30, 2021, is no longer feasible.
22 Based on the foregoing:

1 **A. Investigation Fee.** It is AGREED that Respondent shall pay the remaining \$12,500 of
2 the Investigation Fee to the Department as set forth in Appendix A.

3 **B. Financial Literacy Payment.** It is AGREED that Respondent shall pay the remaining
4 \$11,500 of the Financial Literacy Payment to the Department as set forth in Appendix B.

5 **C. Other Terms Shall Remain in Effect.** It is AGREED that all terms of the Consent
6 Order other than those amended in paragraphs A and B of this Amended Order shall remain in full
7 force and effect.

8 **D. Voluntarily Entered.** It is AGREED that Respondent has voluntarily entered into
9 this Amended Order, which is effective when signed by the Director's designee.

10 **E. Completely Read, Understood, and Agreed.** It is AGREED that Respondent has
11 read this Amended Order in its entirety and fully understand and agree to all of the same.

12 **F. Counterparts.** This Amended Order may be executed by the Respondent in any
13 number of counterparts, including by facsimile or e-mail of a .pdf or similar file, each of which shall
14 be deemed to be an original, but all of which, taken together, shall constitute one and the same
15 Amended Order.

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Appendix A

<u>Payment Due Date</u>	<u>Payment Amount</u>
October 1, 2021	\$500
November 1, 2021	\$500
December 1, 2021	\$500
January 1, 2022	\$500
February 1, 2022	\$500
March 1, 2022	\$500
April 1, 2022	\$500
May 1, 2022	\$500
June 1, 2022	\$500
July 1, 2022	\$500
August 1, 2022	\$500
September 1, 2022	\$500
October 1, 2022	\$500
November 1, 2022	\$500
December 1, 2022	\$500
January 1, 2023	\$500
February 1, 2023	\$500
March 1, 2023	\$500
April 1, 2023	\$500
May 1, 2023	\$500
June 1, 2023	\$500
July 1, 2023	\$500
August 1, 2023	\$500
September 1, 2023	\$500
October 1, 2023	\$500

Appendix B

<u>Payment Due Date</u>	<u>Payment Amount</u>
November 1, 2023	\$500
December 1, 2023	\$500
January 1, 2024	\$500
February 1, 2024	\$500
March 1, 2024	\$500
April 1, 2024	\$500
May 1, 2024	\$500
June 1, 2024	\$500
July 1, 2024	\$500
August 1, 2024	\$500
September 1, 2024	\$500
October 1, 2024	\$500
November 1, 2024	\$500
December 1, 2024	\$500
January 1, 2025	\$500
February 1, 2025	\$500
March 1, 2025	\$500
April 1, 2025	\$500
May 1, 2025	\$500
June 1, 2025	\$500
July 1, 2025	\$500
August 1, 2025	\$500
September 1, 2025	\$500

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STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES

3 IN THE MATTER OF DETERMINING
4 Whether there has been a violation of the
Consumer Loan Act of Washington by:

No.: C-17-2145-21-CO05

CONSENT ORDER

5 KRISTINE M. MORELAND,
6 Mortgage Loan Originator, NMLS #173304,

Respondent.

7
8 COMES NOW the Director of the Department of Financial Institutions (Director), through his
9 designee Lucinda Fazio, Director, Division of Consumer Services, and Kristine M. Moreland
10 (Respondent), and both finding that the issues raised in the above-captioned matter may be
11 economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is
12 entered pursuant to Revised Code of Washington (RCW) 31.04, the Consumer Loan Act (Act), and
13 RCW 34.05.060 of the Administrative Procedure Act, based on the following:

14
AGREEMENT AND ORDER

15 The Department of Financial Institutions, Division of Consumer Services (Department) and
16 Respondent have agreed upon a basis for resolution of the matters alleged in Amended Statement of
17 Charges No. C-17-2145-21-SC05 (Statement of Charges), entered March 11, 2020 (copy attached
18 hereto). Pursuant to chapter 31.04 RCW, the Consumer Loan Act (Act), and RCW 34.05.060 of the
19 Administrative Procedure Act, Respondent hereby agrees to the Department's entry of this Consent
20 Order and further agrees that the issues raised in the above-captioned matter may be economically
21 and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully
22 resolve the Statement of Charges, and Respondent is agreeing not to contest the Statement of Charges
23 in consideration of the terms of this Consent Order.

1 Based upon the foregoing:

2 **A. Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject
3 matter of the activities discussed herein.

4 **B. Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to
5 a hearing before an administrative law judge, and hereby waives her right to a hearing and any and all
6 administrative and judicial review of the issues raised in this matter, or of the resolution reached
7 herein. Accordingly, Respondent, by her signature below, withdraws her appeal to the Office of
8 Administrative Hearings.

9 **C. No Admission of Liability.** It is AGREED that the parties intend this Consent Order
10 to fully resolve the Statement of Charges and that Respondent does not admit to any wrongdoing by
11 its entry.

12 **D. Financial Literacy Payment.** Pursuant to RCW 31.04.093(7), the Department may
13 accept as part of this Consent Order payment for purposes of financial literacy and education
14 programs authorized under RCW 43.320.150. It is AGREED that Respondent, who is supportive of
15 this program and interested in resolving this matter, shall make this payment to the Department in the
16 amount of \$14,000. Respondent further agrees to pay \$2,500 upon entry of this Consent Order to the
17 Department. It is further AGREED that Respondent may not advertise this payment.

18 **E. Investigation Fee.** It is AGREED that Respondent, in the interest of resolving the
19 matter, shall pay to the Department an investigation fee of \$15,000. Respondent further agrees to pay
20 \$2,500 upon entry of this Consent Order. The partial Financial Literacy Payment and the
21 Investigation Fee shall be paid together in one \$5,000 cashier's check made payable to the
22 "Washington State Treasurer." Further, Respondent agrees to pay the remaining \$24,000 balance via
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1 a cashier's check made payable to the "Washington State Treasurer" to be submitted by Respondent
2 to the Department no later than September 30, 2021.

3 **F. Complete Cooperation with the Department.** It is AGREED that, upon written
4 request by the Department, Respondent shall provide the Department truthful and complete sworn
5 statements outlining her activities with respect to Mortgage Loan Originator Lysa M. Catlin, NMLS
6 #754386 (Catlin) and Caliber Home Loans, Inc., NMLS #15622 (Caliber) and any and all persons
7 involved with Caliber. The sworn statements may take the form of affidavits, declarations, or
8 deposition testimony, at the Department's discretion. In addition to providing sworn statements, it is
9 AGREED that, upon written request by the Department, Respondent shall cooperate fully, truthfully,
10 and completely with the Department and provide any and all information known to them relating in
11 any manner to Catlin or Caliber and any and all persons involved or in any way associated with
12 Catlin or Caliber. It is further AGREED that, upon written request by the Department, Respondent
13 shall provide any and all documents, writings or materials, or objects or things of any kind in her
14 possession or under her care, custody, or control that she is authorized to possess, obtain, or distribute
15 relating directly or indirectly to all areas of inquiry and investigation. It is further AGREED that
16 Respondent shall testify fully, truthfully, and completely at any and all proceedings related to any
17 Department investigation or enforcement action related to any and all persons involved or in any way
18 associated with Catlin or Caliber, and any respondents named therein. Respondent understands and
19 agrees that her failure to cooperate fully, truthfully, and completely would constitute a breach of this
20 Consent Order and a violation of the Act, which may result in sanctions, including but not limited to
21 revocation of Respondent's mortgage loan originator license.

22 **G. Non-Compliance with Order.** It is AGREED that Respondent understands that
23 failure to abide by the terms and conditions of this Consent Order may result in further legal action

1 by the Director. In the event of such legal action, Respondent may be responsible to reimburse the
2 Director for the cost incurred in pursuing such action, including but not limited to, attorney fees.

3 **H. Voluntarily Entered.** It is AGREED that Respondent has voluntarily entered into this
4 Consent Order, which is effective when signed by the Director's designee.

5 **I. Completely Read, Understood, and Agreed.** It is AGREED that Respondent has
6 read this Consent Order in its entirety and fully understand and agree to all of the same.

7 **J. Counterparts.** This Consent Order may be executed by Respondent in any number of
8 counterparts, including by facsimile or e-mail of a .pdf or similar file, each of which shall be deemed
9 to be an original, but all of which, taken together, shall constitute one and the same Consent Order.

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11 **RESPONDENT:**

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13 /s/ _____
14 Kristine M. Moreland
Mortgage Loan Originator

5/27/2021 _____
Date

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16 **APPROVED FOR ENTRY:**
By:

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18 /s/ _____
19 Kristine Kruger, WSBA #44612
T. Markus Funk, *pro hac vice*
Perkins Coie LLP
Attorneys for Respondent

6/7/2021 _____
Date

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THIS ORDER ENTERED THIS 10th DAY OF June, 2021.

/s/ _____
Lucinda Fazio, Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

/s/ _____
AMANDA J. HERNDON
Financial Legal Examiner

Approved by:

/s/ _____
STEVEN C. SHERMAN
Enforcement Chief

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **DIVISION OF CONSUMER SERVICES**

4 IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Consumer Loan Act of Washington by:

5 KRISTINE M. MORELAND,
6 Mortgage Loan Originator, NMLS #173304,

7 Respondent.

No. C-17-2145-21-SC05

AMENDED STATEMENT OF CHARGES
and NOTICE OF INTENT TO ENTER AN
ORDER TO REVOKE LICENSE, PROHIBIT
FROM INDUSTRY, IMPOSE FINE,
COLLECT INVESTIGATION FEE, and
RECOVER COSTS OF PROSECUTION

8 **INTRODUCTION**

9 Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial
10 Institutions of the State of Washington (Director) is responsible for the administration of chapter
11 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to
12 RCW 31.04.145, and based upon the facts available as of the date of this Amended Statement of
13 Charges and Notice of Intent to Enter an Order to Revoke License, Prohibit from Industry, Impose
14 Fine, Collect Investigation Fee, and Recover the Costs of Prosecution (Amended Statement of
15 Charges), the Director, through his designee, Division of Consumer Services Director Lucinda Fazio,
16 institutes this proceeding and finds as follows:

17 **I. FACTUAL ALLEGATIONS**

18 **1.1 Kristine M. Moreland (Respondent)**, was licensed by the Department of Financial
19 Institutions of the State of Washington (Department) to conduct business as a mortgage loan
20 originator (MLO) on or about April 30, 2009, and continues to be licensed to date. Respondent was
21 employed by Caliber Home Loans, Inc. (Caliber) between from at least November 5, 2014, through
22 September 29, 2016. At all times relevant to this Amended Statement of Charges, Caliber was
23 licensed by the Department as a consumer loan company.

1 **1.2 Prohibited Practices.** While employed at Caliber, Respondent facilitated the making of
2 unlicensed residential mortgage loans to at least four borrowers in the state of Washington.
3 Respondent's conduct included marketing unlicensed loans, submitting borrowers' loan application
4 information to an unlicensed lender, providing borrowers and an unlicensed lender with refinance
5 loan preapprovals from Caliber, and negotiating loan terms between borrowers and an unlicensed
6 lender. The loans offered by the unlicensed lender were short-term, high-cost loans. Respondent
7 facilitated the making of unlicensed loans with the knowledge that the borrowers were seeking loans
8 for primary residences, and the expectation that the borrowers would refinance the unlicensed loans
9 with Caliber and Respondent would receive a commission. Respondent did not disclose to borrowers
10 that they were dealing with an unlicensed lender.

11 **1.3 Nationwide Multistate Licensing System (NMLS) Disclosures and Attestations.**

12 **A. Pending Regulatory Action.** On or about March 11, 2020, the Department issued a
13 Statement of Charges against Respondent. The Statement of Charges was served on Respondent on
14 or about March 13, 2020, and e-mailed to Respondent on or about April 9, 2020. The Statement of
15 Charges included the facts alleged in paragraph 1.2 above and the violations alleged in paragraphs 2.1
16 and 2.2 below.

17 **B. Failure to Update Disclosure Questions.** Upon license application, an MLO must
18 submit answers to disclosure questions to the Department through NMLS. If an MLO's answer to
19 any disclosure question changes, the MLO must update his or her answers in NMLS within 10 days
20 of the change. Disclosure Question (N) states, "Is there a pending regulatory action proceeding
21 against you for any alleged violation described in (K) . . .?" Disclosure Question (K) includes the
22 following questions:

23 Has any State or federal regulatory agency or foreign financial regulatory authority or
24 self-regulatory organization (SRO) ever:

1 (1) found you to have made a false statement or omission or been dishonest,
2 unfair or unethical?

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

5 The Statement of Charges was a pending regulatory action alleging the violations described in
6 Disclosure Questions (K)(1) and (K)(2). As of the date of this Amended Statement of Charges,
7 Respondent has not updated her answers to Disclosure Question (N) from “No” to “Yes.”

8 **C. License Renewal Attestation.** Every MLO licensed with the Department must apply
9 to renew their license annually in order to maintain the license. During the renewal process, the
10 MLO must submit an attestation in support of the renewal application through NMLS. On or about
11 December 28, 2020, Respondent filed an attestation in connection with her annual license renewal.

12 In that attestation, Respondent swore,

13 to the best of my knowledge and belief the information contained in my online
14 record, including jurisdiction specific requirements where I am licensed or registered,
15 is true, accurate and complete in accordance with the appropriate jurisdiction's law.
16 Additionally, I acknowledge that I have a duty and agree to expediently update and
17 correct the information as it changes.

18 When Respondent submitted this attestation, her record did not include an accurate and true response
19 to Disclosure Question (N).

20 **1.4 On-Going Investigation.** The Department’s investigation into the alleged violations of the
21 Act by Respondent continues to date.

22 **II. GROUNDS FOR ENTRY OF ORDER**

23 **2.1 Unfair or Deceptive Practice.** Based on the Factual Allegations set forth in Section I above,
24 Respondent is in apparent violation of RCW 31.04.027(1)(b)¹ for directly or indirectly engaging in
any unfair or deceptive practice toward any person.

¹ This section of the Consumer Loan Act was revised as of June 7, 2018. Prior to that date, the section was listed as
RCW 31.04.027(2).

1 **2.2 Aiding and Abetting Violations of the Act.** Based on the Factual Allegations set forth in
2 Section I above, Respondent is in apparent violation of RCW 31.04.175(1) for knowingly aiding and
3 abetting a lender to make residential mortgage loans when the lender was not licensed to make such
4 loans as required by RCW 31.04.035(1).

5 **2.3 Failing to Timely Report Significant Events.** Based on the Factual Allegations set forth in
6 Section I above, Respondent is in apparent violation of RCW 31.04.027(1)(b) and WAC 208-620-710
7 (27)(a) for failing to amend her NMLS record and upload supporting documents within ten days after
8 an occurrence of a change in response to a disclosure questions within NMLS.

9 **2.4 False Statements and Omissions of Fact to the Department.** Based on the Factual
10 Allegations set forth in Section I above, Respondent is in apparent violation of RCW 31.04.027(1)(h)
11 for negligently making any false statement or knowingly and willfully making any omission of
12 material fact in connection with any reports filed with the Department by a licensee.

13 III. AUTHORITY TO IMPOSE SANCTIONS

14 **3.1 Authority to Revoke License.** Pursuant to RCW 31.04.093(3)(b), the Director may revoke a
15 license if a licensee, either knowingly or without the exercise of due care, has violated any provision
16 of the Act or any rule adopted under the Act.

17 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6)(e), the Director
18 may issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,
19 employee, MLO, or any other person subject to the Act for a violation of RCW 31.04.027.

20 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
21 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or
22 any other person subject to the Act for any violation of the Act or failure to comply with any order or
23 subpoena issued by the Director under the Act.

1 **3.4 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
2 590, WAC 208-620-610(7), every licensee investigated by the Director or the Director's designee
3 shall pay for the cost of the investigation, calculated at the rate of \$69.01 per staff hour devoted to the
4 investigation

5 **3.5 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
6 may recover the state's costs and expenses for prosecuting violations of the Act.

7 **IV. NOTICE OF INTENT TO ENTER ORDER**

8 Respondent's violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,
9 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
10 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, RCW
11 34.04.202, and RCW 31.04.205. Therefore, it is the Director's intent to ORDER that:

- 12 **4.1** Respondent Kristine M. Moreland's license to conduct the business of a mortgage loan
13 originator be revoked.
- 14 **4.2** Respondent Kristine M. Moreland be prohibited from participation in the conduct of
15 the affairs of any consumer loan company subject to licensure by the Director, in any
16 manner, for a period of five years.
- 17 **4.3** Respondent Kristine M. Moreland pay a fine. As of the date of this Amended
18 Statement of Charges, the fine totals \$18,000.
- 19 **4.4** Respondent Kristine M. Moreland pay an investigation fee. As of the date of this
20 Amended Statement of Charges, the investigation fee totals \$8,000.
- 21 **4.5** Respondent Kristine M. Moreland pay the Department's costs and expenses for
22 prosecuting violations of the Act in an amount to be determined at hearing or by
23 declaration with supporting documentation in event of default by Respondent.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Amended Statement of Charges is entered pursuant to the provisions of RCW 31.04.093,
3 RCW 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter
4 34.05 RCW (The Administrative Procedure Act). Respondent may make a written request for a
5 hearing as set forth in the NOTICE OF OPPORTUNITY FOR ADJUDICATIVE HEARING AND
6 TO DEFEND accompanying this Amended Statement of Charges.

7
8 Dated this 28th day of January, 2021.

9 /s/
10 Lucinda Fazio, Director
11 Division of Consumer Services
12 Department of Financial Institutions

13 Presented by:

14 /s/
15 AMANDA J. HERNDON
16 Financial Legal Examiner

17 Approved by:

18 /s/
19 STEVEN C. SHERMAN
20 Enforcement Chief
21
22
23
24

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **DIVISION OF CONSUMER SERVICES**

4 IN THE MATTER OF DETERMINING
5 Whether there has been a violation of the
6 Consumer Loan Act of Washington by:

7 KRISTINE M. MORELAND,
8 Mortgage Loan Originator, NMLS #173304,

9 Respondent.

No. C-17-2145-20-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO REVOKE LICENSE, PROHIBIT
FROM INDUSTRY, IMPOSE FINE,
COLLECT INVESTIGATION FEE, and
RECOVER COSTS OF PROSECUTION

10 **INTRODUCTION**

11 Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial
12 Institutions of the State of Washington (Director) is responsible for the administration of chapter
13 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to
14 RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges and
15 Notice of Intent to Enter an Order to Revoke License, Prohibit from Industry, Impose Fine, Collect
16 Investigation Fee, and Recover the Costs of Prosecution (Statement of Charges), the Director,
17 through his designee, Division of Consumer Services Director Lucinda Fazio, institutes this
18 proceeding and finds as follows:

19 **I. FACTUAL ALLEGATIONS**

20 **1.1 Kristine M. Moreland (Respondent)**, NMLS #173304, was licensed by the Department of
21 Financial Institutions of the State of Washington (Department) to conduct business as a mortgage
22 loan originator on or about April 30, 2009, and continues to be licensed to date. Respondent was
23 employed by Caliber Home Loans, Inc. (Caliber) between from at least November 5, 2014, through
24 September 29, 2016. At all times relevant to this Statement of Charges, Caliber was licensed by the
Department as a consumer loan company.

1 **1.2 Prohibited Practices.** While employed at Caliber, Respondent facilitated the making of
2 unlicensed residential mortgage loans to at least four borrowers in the state of Washington.
3 Respondent's conduct included marketing unlicensed loans, submitting borrowers' loan application
4 information to an unlicensed lender, providing borrowers and an unlicensed lender with refinance
5 loan preapprovals from Caliber, and negotiating loan terms between borrowers and an unlicensed
6 lender. The loans offered by the unlicensed lender were short-term, high-cost loans. Respondent
7 facilitated the making of unlicensed loans with the knowledge that the borrowers were seeking loans
8 for primary residences, and the expectation that the borrowers would refinance the unlicensed loans
9 with Caliber and Respondent would receive a commission. Respondent did not disclose to borrowers
10 that they were dealing with an unlicensed lender.

11 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the
12 Act by Respondent continues to date.

13 **II. GROUNDS FOR ENTRY OF ORDER**

14 **2.1 Unfair or Deceptive Practice.** Based on the Factual Allegations set forth in Section I above,
15 Respondent is in apparent violation of RCW 31.04.027(1)(b)¹ for directly or indirectly engaging in
16 any unfair or deceptive practice toward any person.

17 **2.2 Aiding and Abetting Violations of the Act.** Based on the Factual Allegations set forth in
18 Section I above, Respondent is in apparent violation of RCW 31.04.175(1) for knowingly aiding and
19 abetting a lender to make residential mortgage loans when the lender was not licensed to make such
20 loans as required by RCW 31.04.035(1).

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24 ¹ This section of the Consumer Loan Act was revised as of June 7, 2018. Prior to that date, the section was listed as
RCW 31.04.027(2).

1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Revoke License.** Pursuant to RCW 31.04.093(3)(b), the Director may revoke a
3 license if a licensee, either knowingly or without the exercise of due care, has violated any provision
4 of the Act or any rule adopted under the Act.

5 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6)(e), the Director
6 may issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,
7 employee, mortgage loan originator, or any other person subject to the Act for a violation of RCW
8 31.04.027.

9 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
10 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or
11 any other person subject to the Act for any violation of the Act or failure to comply with any order or
12 subpoena issued by the Director under the Act.

13 **3.4 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
14 590, WAC 208-620-610(7), every licensee investigated by the Director or the Director’s designee
15 shall pay for the cost of the investigation, calculated at the rate of \$69.01 per staff hour devoted to the
16 investigation

17 **3.5 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
18 may recover the state’s costs and expenses for prosecuting violations of the Act.

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1 **IV. NOTICE OF INTENT TO ENTER ORDER**

2 Respondent's violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,
3 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
4 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, RCW
5 34.04.202, and RCW 31.04.205. Therefore, it is the Director's intent to ORDER that:

- 6 **4.1** Respondent Kristine M. Moreland's license to conduct the business of a mortgage loan
7 originator be revoked.
- 8 **4.2** Respondent Kristine M. Moreland be prohibited from participation in the conduct of
9 the affairs of any consumer loan company subject to licensure by the Director, in any
10 manner, for a period of five years.
- 11 **4.3** Respondent Kristine M. Moreland pay a fine. As of the date of this Statement of
12 Charges, the fine totals \$18,000.
- 13 **4.4** Respondent Kristine M. Moreland pay an investigation fee. As of the date of this
14 Statement of Charges, the investigation fee totals \$8,000.
- 15 **4.5** Respondent Kristine M. Moreland pay the Department's costs and expenses for
16 prosecuting violations of the Act in an amount to be determined at hearing or by
17 declaration with supporting documentation in event of default by Respondent.
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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges is entered pursuant to the provisions of RCW 31.04.093, RCW
3 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05
4 RCW (The Administrative Procedure Act). Respondent may make a written request for a hearing as
5 set forth in the NOTICE OF OPPORTUNITY FOR ADJUDICATIVE HEARING AND TO
6 DEFEND accompanying this Statement of Charges.

7
8 Dated this 11th day of March, 2020.

9 /s/
10 Lucinda Fazio, Director
11 Division of Consumer Services
12 Department of Financial Institutions

13 Presented by:

14 /s/
15 KENNETH J. SUGIMOTO
16 Financial Legal Examiner Supervisor

17 Approved by:

18 /s/
19 STEVEN C. SHERMAN
20 Enforcement Chief
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