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

In re Mortgage Loan Originator  
License Renewal Application of:

KENNEDI RAE HALL,  
NMLS ID No. 114312,

Applicant.

Docket No. 2021-16-78

**CONSENT ORDER**

The staff of the Idaho Department of Finance, specifically the Consumer Finance Bureau, (the Department) and KENNEDI RAE HALL, NMLS ID No. 114312 (the Applicant), collectively “the Parties,” agree and stipulate to the terms of this Consent Order and further agree that the Director of the Idaho Department of Finance (Director), may adopt the Consent Order pursuant to the Idaho Residential Mortgage Practices Act, Idaho Code § 26-31-101 *et seq.* (the Act).

The Parties stipulate and agree to the following facts, legal conclusions, and remedies, and that the Director may enter an order adopting the provisions of this Consent Order to fully resolve this matter.

## FACTUAL BACKGROUND

1. The Applicant, KENNEDI RAE HALL, a resident of the state of California, holds NMLS number 114312 and applied for an Idaho Mortgage Loan Originator (MLO) license by filing an individual Form MU4 through the online Nationwide Mortgage Licensing System (NMLSR or NMLS). This application was attested to by the Applicant on June 30, 2021, and submitted on the Applicant's behalf by Ashley Warbrick of The Turnkey Foundation, Inc., on July 1, 2021.

2. The application Form MU4 seeks information about an individual applicant's qualifications to be licensed as a mortgage loan originator. A section of the application is entitled "Disclosure Questions" and consists of a series of questions that inquire into an applicant's history regarding financial, criminal, civil, judicial, and regulatory matters.

3. Pertinent to the Applicant's qualifications is question (D): "Do you have any unsatisfied judgments or liens against you?" The applicant responded, "no" to this question.

4. Consistent with normal practice, a Department examiner conducted an assessment of the Applicant using various sources of public information to determine if the Applicant demonstrates sufficient financial responsibility, character, and general fitness in order to be licensed as a mortgage loan originator.<sup>1</sup>

5. The examiner obtained a public record background information report through LexisNexis, which showed that the Applicant has an outstanding federal tax lien entered against her. The examiner obtained a copy of Notice of Federal Tax Lien against the Applicant for \$79,577.14, Serial Number 334887818, dated November 23, 2020, and was recorded in the

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<sup>1</sup> Conducted pursuant to Part 3 of the Act titled "The Idaho Secure and Fair Enforcement for Mortgage Licensing Act" (Idaho S.A.F.E. Mortgage Licensing Act), Idaho Code § 26-31-306.

Orange County, California, Records Office, on December 6, 2018, under Document No. 2018000456098. The Notice of Federal Tax Lien (for tax years 2013 and 2014) indicates that \$44,816.62 of the total balance remains in effect through December 24, 2024, and the remaining balance of \$34,760.52 remains in effect through December 23, 2025.

6. The Department has no evidence indicating that the tax liens described above has been satisfied and/or released.

7. On October 28, 2021, the Department provided the Applicant notice of an intent to deny the application within approximately one month based on the information set forth above unless the Applicant was able to provide documentation to satisfy the Department that the noted item had been resolved and that disclosure was not required. The notice alternatively provided the Applicant the opportunity to withdraw the application.

8. On the same date, after the notice of intent to deny the application was provided to her, the Applicant amended her application through the NMLS system to reflect a “yes” response to question (D). The Applicant also provided this Event Explanation Detail: “I may have made a mistake when answering this question as I thought it only pertained to defaulted liens. I have been on a payment plan with the IRS starting Feb 2019, the payment has been drafted from my checking account every month so all payments have been made on time.” The Applicant also uploaded a printout of her Internal Revenue Service account, which included information regarding her Payment Plan (Installment Agreement) and her payment activity.

9. On October 29, 2021, a Department supervisor reviewed the Applicant’s amendment to her application and then emailed her, reiterating the options available to her in the previous days’ notice of intent: “You may choose to withdraw your application and re-apply or provide

supporting documents evidencing the items were fully resolved *prior* to the date of application on July 1, 2021.” The Applicant responded the same day, stating that she wanted to withdraw her application and asked what she needed to do. The Department supervisor emailed back instructing the Applicant that she would need to submit her withdrawal request through the NMLS. The Applicant failed to timely withdraw her application.

10. The Applicant’s negative response to the Form MU4 application disclosure question (D) is a material misrepresentation, and the failure to provide the details of the federal tax lien prior to her application submission described above constitutes a material omission.

11. Upon the Applicant not withdrawing her application, the Department presented an Order Denying Mortgage Loan Originator License Application (Order) to the Director, which Order was entered against the Applicant on December 20, 2021.

12. On the date that the Order was entered, the Applicant responded by email by stating that she “honestly thought I had handled this” and explained that she was “perplexed” by the customer service she received from NMLS on October 29, 2021, when she attempted to withdraw her explanation. She also explained that she had experienced the unexpected loss of her fiancé in October and that it had been a very difficult time for her.

13. Later, the Department obtained a copy of the voice recording of the Applicant’s discussion with customer service on October 29, 2021, and after listening to the recording the Department understood how the Applicant may have believed she had withdrawn her application even though she had not done so.

#### **TERMS AND CONDITIONS OF SETTLEMENT**

14. Paragraphs 1 through 13 above are fully incorporated herein by this reference.

15. The Applicant did not disclose the tax lien to the Department in her application, which lien still showed of record and had not been formally released.

16. The Department and the Applicant agree that based on information that the Department had at the time the Order was entered, there was sufficient cause to deny the application under Idaho Code § 26-31-313(1).

17. The Applicant agrees that the Department provided her with a notice of intent to deny and allowed her a period of time to withdraw her application, but the Department had no statutory obligation to do so.

18. The Department agrees and represents that it will allow the Applicant to withdraw the July 1, 2021, application and will review a new application of the Applicant on its own merits in the normal course if submitted. The Parties understand and agree that the Department cannot guaranty that the Applicant will be awarded a license and that if there are incomplete answers or submissions or questions that arise in the continued review, that the review process may be prolonged.

19. Both the Department and the Applicant agree that this Consent Order, if adopted by the Director, is intended to be the complete resolution of any violations of law that may arise from the factual matters referenced herein based on the facts known at this time. Further, both the Department and the Applicant agree not to pursue any and all claims either may have against the other related to such violations, or any right to a hearing, appeal, or any further legal action or proceeding arising solely from such facts and circumstances.

20. The Department and the Applicant agree that this Consent Order supersedes the denial Order entered against the Applicant on December 20, 2021, which denial Order is hereby

vacated and of no effect, thus disclosure of the denial Order will not be required on the Applicant's NMLS license record. The parties further agree and request that this Consent Order terminate the pending contested case hearing process and constitute a withdrawal of the hearing officer appointment previously entered in this matter.

21. The Applicant acknowledges that the entry of this Consent Order will likely be a reportable event requiring disclosure in any future licensing applications submitted by the Applicant both in Idaho and in other states.

22. The Applicant knowingly, willingly, voluntarily, and irrevocably consents to the entry of this Consent Order and agrees that she fully understands all of the terms and conditions contained herein.

23. The Applicant agrees that she will not participate in any activity in Idaho that falls within the jurisdiction of the Department, to include engaging in mortgage loan origination activity, without first being issued the appropriate license for such activity.

24. The parties agree that they shall pay their own costs and fees.

25. The Applicant acknowledges that she has had the opportunity to retain counsel and has chosen not to do so.

26. The parties desire that the Director enter an order adopting this Consent Order thereby fully and finally resolving the matters raised herein, and the parties agree to forgo their right to a hearing and to present evidence on their behalf.

27. The parties waive their rights to seek reconsideration or judicial review of this Consent Order and agree that it shall be binding and final upon entry by the Director.

DATED this 23rd day of February 2022.



KENNEDI RAE HALL,  
NMLS ID No. 114312

DATED this 24 day of February 2022.

STATE OF IDAHO  
DEPARTMENT OF FINANCE



ERIN VAN ENGELEN  
Consumer Finance Bureau Chief

**IT IS SO ORDERED.**

DATED this 24 day of February 2022.

STATE OF IDAHO  
DEPARTMENT OF FINANCE

  
PATRICIA R. PERKINS, Director

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 24<sup>th</sup> day of February 2022, I caused a true and correct fully-executed copy of the foregoing CONSENT ORDER to be served on the following by the designated means:

Kennedi Rae Hall  
1017 Granville Dr.  
Newport Beach, CA 92660

- U.S. mail, postage prepaid
- certified mail
- facsimile \_\_\_\_\_
- email: khall@uamco.com

Erick M. Shaner  
Idaho Department of Finance  
PO Box 83720  
Boise, ID 83720-0031

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Paralegal

