

**ORDER SUMMARY**  
**Consumer Services Division Case Number C-22-3449**

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

<b>Name(s)</b>	Leif Technologies, Inc Leif Servicing, LLC NMLS # 2321453
<b>Order/Agreement Number</b>	C-22-3449-23-CO01
<b>Date issued</b>	2/8/2024

**What does this Consent Agreement require?**

- Respondent Leif Technologies must pay a fine of \$1,962.50.
- Respondent Leif Technologies must pay an investigation fee of \$262.00. (Investigation fees cover the cost of DFI staff time working on the investigation).
- Respondent Leif Servicing must pay \$2,224.50 to Washington's Financial Literacy and Education fund.
- Respondent Leif Technologies will not add any new student education loans to their servicing portfolio and will cease any servicing activity until Respondents Leif Technologies and/or Leif Servicing obtain a license.
- Respondent Leif Technologies to transfer entire servicing portfolio to licensed Consumer Loan company or to Respondent Leif Servicing upon approval of Respondent Leif Servicing's consumer loan license application.

**Need more information?**

You can contact the Consumer Services Division, Enforcement unit at (360) 902-9703 or [csenforcecomplaints@dfi.wa.gov](mailto:csenforcecomplaints@dfi.wa.gov). Please remember that we cannot provide financial or legal advice to members of the public. We also cannot release confidential information.

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

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

No.: C-22-3449-23-CO01

CONSENT ORDER

LEIF TECHNOLOGIES, INC., and  
LEIF SERVICING, LLC, NMLS # 2321453,

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his  
designee Division of Consumer Services Acting Director Ali Higgs, Leif Technologies, Inc.  
(Respondent Leif Technologies) and Leif Servicing, LLC (Respondent Leif Servicing), and finding  
that the issues raised in the above-captioned matter may be economically and efficiently settled, agree  
to the entry of this Consent Order. This 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 upon the following:

**FINDINGS OF FACT**

**1.1** Generally, in an income share agreement (ISA), a student agrees to repay a school a fixed  
percentage of the student's future gross income after graduation, but only if the student is employed  
and making more than an agreed-upon amount.

**1.2** Residents of Washington State (Washington Consumers) entered into ISAs to finance  
postsecondary education and the costs of attendance at financial institutions.

**1.3** From on or about September 29, 2017, to at least December 1, 2022, Respondent Leif  
Technologies received scheduled periodic payments from Washington Consumers pursuant to the  
terms of ISAs, applied those payments to the Washington Consumers' accounts, and performed other

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administrative services with respect to the ISAs. Respondent Leif Technologies has never obtained a consumer loan license in accordance with the Act from the Department.

**1.4** Effective January 1, 2019, the Act was amended to require a license to engage in the business of a student loan servicer. On November 6, 2020, the Department issued its Interim Regulatory Guidance, which stated the Department's position that "most ISAs meet the definition of "loan" under the Act."

**1.5** On or about January 12, 2022, the control persons for Respondent Leif Technologies formed a new entity, Respondent Leif Servicing in order to apply for licenses in several states. Respondent Leif Technologies is the one-hundred (100) percent owner of Respondent Leif Servicing.

**1.6** On or about June 21, 2022, Respondent Leif Servicing submitted a consumer loan license application to the Department to engage in the business of a student education loan servicing company under the Act, and the application is pending. In its application materials, Respondent Leif Servicing represented that it was a newly formed entity that planned to obtain servicing agreements from originators of ISAs.

**1.7** On or about July 28, 2022, the Department received a complaint against Respondent Leif Technologies, alerting the Department to apparent unlicensed student loan servicing activity.

**1.8** The Department contacted Respondents Leif Technologies and Leif Servicing and confirmed it was their intention to obtain a consumer loan license for Respondent Leif Servicing and transfer Respondent Leif Technologies' student education loan servicing portfolio to Respondent Leif Servicing once the consumer loan license application was approved. Respondent Leif Servicing omitted in its application materials that it intended to obtain a servicing portfolio from an unlicensed, affiliated entity.

## CONCLUSIONS OF LAW

**2.1** Based upon the above Findings of Fact, and pursuant to the Department's Interim Regulatory Guidance the ISAs are "student education loans" as defined by RCW 31.04.015(32), the Washington Consumers that entered into the ISAs are "student education loan borrowers" as defined by RCW 31.04.015(33), and Respondent Leif Technologies engaged in "student education loan servicing" as defined by RCW 31.03.015(35).

**2.2** Based upon the above Findings of Fact, Respondent Leif Technologies violated RCW 31.04.035 by servicing student education loans without first obtaining and maintaining a license in accordance with the Act or meeting an exclusion from the Act under RCW 31.04.025 or an exemption from the licensing requirement under RCW 31.04.420.

**2.3** Based upon the above Findings of Fact, Respondent Leif Technologies violated RCW 31.04.027(1)(b) by directly or indirectly engaging in any unfair or deceptive practice toward any person.

**2.4** Based upon the above Findings of Fact, Respondent Leif Servicing violated RCW 31.04.027(1)(h).

## AGREEMENT AND ORDER

The Department and Respondents Leif Technologies and Leif Servicing have agreed upon a basis for resolution of the Findings of Fact and Conclusions of Law identified in this Consent Order. Pursuant to RCW 31.04.093(7) and RCW 34.05.060, Respondents Leif Technologies and Leif Servicing and the Department agree to entry of this Consent Order and further agree that the matters alleged herein may be economically and efficiently settled by the entry of this Consent Order. Respondents Leif Technologies and Leif Servicing neither admit nor deny the Findings of Fact and Conclusions of Law identified in this Consent Order.

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Based upon the foregoing:

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

**B. Waiver of Hearing.** It is AGREED that Respondents Leif Technologies and Leif Servicing hereby waive any right they have to a hearing and any and all administrative and judicial review of the issues raised in this matter or the resolution reached herein.

**C. No Admission of Liability.** The parties intend this Consent Order to fully resolve the matters alleged herein and agree that Respondents Leif Technologies and Leif Servicing neither admit nor deny any wrongdoing by its entry.

**D. Consumer Loan License Required.** It is AGREED that Respondents Leif Technologies and Leif Servicing understand that, in order to service student education loans made to Washington State residents, Respondents Leif Technologies and/or Leif Servicing must obtain a consumer loan company license in accordance with the Act or qualify for an exclusion or exemption from licensing as delineated in the Act. It is FURTHER AGREED that Respondent Leif Technologies will not add any new student education loans to their servicing portfolio and will cease any servicing activity until Respondents Leif Technologies and/or Leif Servicing obtain a license in accordance with the Act. It is FURTHER AGREED that Respondent Leif Technologies will transfer its entire servicing portfolio to a consumer loan company licensed in accordance with the Act or to Respondent Leif Servicing upon approval of Respondent Leif Servicing's consumer loan license application.

**E. Application for Consumer Loan License.** It is AGREED that the entry of this Consent Order will not preclude Respondent Leif Servicing from obtaining a consumer loan license pursuant to Respondent Leif Servicing's pending consumer loan license application with the Department. It is FURTHER AGREED that upon payment to the Department of the sums required under paragraphs F,

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1 G, and H of this Consent Order, SO LONG AS all requirements under chapter 31.04 RCW and 208-  
2 620 WAC are satisfactorily met and the application is complete as determined by the Department, the  
3 Department will process Respondent Leif Servicing's pending consumer loan license application in  
4 due course. Respondent Leif Servicing will be timely notified of any additional licensing  
5 requirements. Respondent Leif Servicing agrees to timely respond to any such requests.

6 **F. Financial Literacy Payment.** Pursuant to RCW 31.04.093(7), the Director may accept  
7 payments to the Department for purposes of financial literacy and education programs authorized  
8 under RCW 43.320.150. Accordingly, it is AGREED that Respondent Leif Servicing shall pay a  
9 Financial Literacy Payment to the Department in the amount of \$2,224.50 for purposes of financial  
10 literacy and education programs, upon delivery of this Consent Order, properly dated and signed. It  
11 is FURTHER AGREED that the Financial Literacy Payment is not a fine pursuant to the Act, and  
12 Respondent Leif Servicing shall not advertise the Financial Literacy Payment. It is FURTHER  
13 AGREED that the Financial Literacy Payment shall be paid in one cashier's check in the amount of  
14 \$2,224.50, made payable to the "Washington State Treasurer."

15 **G. Fine.** It is AGREED that Respondent Leif Technologies shall pay a fine to the Department in  
16 the amount of \$1,962.50, upon delivery of this Consent Order, properly dated and signed.

17 **H. Investigation Fee.** It is AGREED that Respondents Leif Technologies shall pay an  
18 investigation fee to the Department in the amount of \$262.00, upon delivery of this Consent Order,  
19 properly dated and signed. It is FURTHER AGREED that the Fine and Investigation Fee shall be  
20 paid together in one cashier's check in the amount of \$2,224.50, made payable to the "Washington  
21 State Treasurer."

22 **I. Records Retention.** It is AGREED that Respondents Leif Technologies and Leif Servicing,  
23 their officers, employees, and agents shall maintain records in compliance with the Act and provide  
24

1 the Director with the location of the books, records and other information relating to Respondent Leif  
2 Technologies' student education loan servicing business conducted prior to licensure, and the name,  
3 address and telephone number of the individual responsible for maintenance of such records in  
4 compliance with the Act.

5 **J. Non-Compliance with Order.** It is AGREED that Respondents Leif Technologies and Leif  
6 Servicing understand that failure to abide by the terms and conditions of this Consent Order may  
7 result in further legal action by the Director. In the event of such legal action, Respondents may be  
8 responsible to reimburse the Director for the cost incurred in pursuing such action, including but not  
9 limited to, attorney fees.

10 **K. Voluntarily Entered.** It is AGREED that Respondents Leif Technologies and Leif Servicing  
11 have voluntarily entered into this Consent Order, which is effective when signed by the Director's  
12 designee.

13 **L. Completely Read, Understood, and Agreed.** It is AGREED that Respondents Leif  
14 Technologies and Leif Servicing have read this Consent Order in its entirety and fully understand and  
15 agree to all of the same.

16 **M. Authority to Execute Order.** It is AGREED that the undersigned authorized representative  
17 has represented and warranted that he has the full power and right to execute this Consent Order on  
18 behalf of Respondents Leif Technologies and Leif Servicing.

19 **N. Counterparts.** This Consent Order may be executed by Respondents Leif Technologies and  
20 Leif Servicing in any number of counterparts, including by facsimile or e-mail of a .pdf or similar  
21 file, each of which shall be deemed to be an original, but all of which, taken together, shall constitute  
22 one and the same Consent Order.

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**RESPONDENTS:**

Leif Technologies, Inc.  
Leif Servicing, LLC

By:

[REDACTED]

01 / 25 / 2024

Authorized Representative for  
Leif Technologies, Inc.

Date

[REDACTED]

01 / 25 / 2024

Authorized Representative for  
Leif Servicing, LLC

Date

Approved for entry by:

[REDACTED]

01 / 25 / 2024

John D. Socknat  
Ballard Spahr, LLP  
Attorney for Respondents

Date

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 8th DAY OF February, 2024.



[REDACTED]

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

Presented by:

[REDACTED]

AMANDA B. STARNES  
Financial Legal Examiner

Approved by:

[REDACTED]

JAMES R. BRUSSELBACK  
Acting Enforcement Chief

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