

Terms Completed

ORDER SUMMARY – Case Number: C-11-0727-13-CO01

Name(s): Academy Mortgage Corporation

Order Number: C-11-0727-13-CO01

Effective Date: January 17, 2014

License Number: DFI: 49631 NMLS ID: 149900

Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)

License Effect: None
If applicable, you must specifically note the ending dates of terms.

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: N/A

Investigation Costs	\$2,760	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 1/14/14
Fine	\$15,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 1/14/14
Assessment(s)	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

Comments: _____

1 Based upon the foregoing:

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

4 B. **Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a
5 hearing before an administrative law judge, and hereby waives its 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 the signature of its representative below, withdraws its appeal
8 to the Office of Administrative Hearings.

9 C. **Fine.** It is AGREED that Respondent shall pay a fine to the Department in the amount of
10 \$15,000, in the form of a cashier's check made payable to the "Washington State Treasurer," upon
11 entry of this Consent Order.

12 D. **Investigation Fee.** It is AGREED that Respondent shall pay to the Department an
13 investigation fee of \$2,760.40, in the form of a cashier's check made payable to the "Washington
14 State Treasurer," upon entry of this Consent Order. The Fine and Investigation Fee may be paid
15 together in one \$17,760.40 cashier's check made payable to the "Washington State Treasurer."

16 E. **Records Retention.** It is AGREED that Respondent will maintain records in compliance
17 with the Act and provide the Director with the location of the books, records, and other information
18 relating to Respondent's consumer loan company business, and the name, address, and telephone
19 number of the individual responsible for maintenance of such records in compliance with the Act.

20 F. **Authority to Execute Order.** It is AGREED that the undersigned has represented and
21 warranted that he has the full power and right to execute this Consent Order on behalf of Respondent.

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

1 Director. In the event of such legal action, Respondent may be responsible to reimburse the Director
2 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 read
6 this Consent Order in its entirety and fully understands and agrees to all of the same.

7 **RESPONDENT:**
8 **Academy Mortgage Corporation**

9 By: 

10 Michael Huber
11 Executive Vice President and General Counsel

Date 1/10/13

12 DO NOT WRITE BELOW THIS LINE

13 THIS ORDER ENTERED THIS 17th DAY OF January, 2013. ^{4 RB}

14 
15 DEBORAH BORTNER
16 Director
17 Division of Consumer Services
18 Department of Financial Institutions

19 Presented by: 

20 DEBORAH TAEILLIOUS
21 Financial Legal Examiner

22 Approved by: 

23 CHARLES E. CLARK
24 Enforcement Chief



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

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

NO. C-11-0727-13-SC01

ACADEMY MORTGAGE CORPORATION,

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO IMPOSE FINE AND
COLLECT INVESTIGATION FEE

Respondent.

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INTRODUCTION

Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the Director, through his designee Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondent. Academy Mortgage Corporation (Respondent) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a Consumer Loan Company on or about September 23, 2008, and continues to be licensed to date. Respondent is licensed to conduct business from 27 locations. Respondent's main office is located at 1220 East 7800 S, Sandy, Utah, 84094.

1 **1.2 Examination.** Between about March 14, 2011, through March 18, 2011, the Department
2 examined Respondent's loan portfolio and business practices under the Act for the time period of
3 March 1, 2009, through January 31, 2011.

4 **1.3 Unlicensed Loan Originators.** At least five individuals working on behalf of Respondent
5 assisted at least five borrowers in applying for residential mortgage loans for properties located in
6 the state of Washington. The individuals were not licensed with the Department at the time of the
7 activity. The conduct occurred at least from July 1, 2010, through November 30, 2010.

8 **1.4 Blanks on Documents.** Respondent prepared and presented to borrowers documents that
9 had blanks and were not completely filled out. These documents included One Page Disclosure
10 Summaries containing blanks, Good Faith Estimate Providers of Services Disclosures containing
11 blanks, Rate Lock Agreement Disclosures containing blanks, and Servicing Disclosures containing
12 blanks.

13 **1.5 Failed to Accurately Provide Good Faith Estimates (GFE).** On at least nine loans,
14 Respondent failed to accurately complete GFEs by failing to complete the Important Dates #3 and/or
15 Important Dates #4 correctly.

16 **1.6 Misleading Rate Lock Disclosures.** Respondent prepared and presented to at least four
17 borrowers conflicting or incomplete rate lock disclosures within three business days of application.

18 **1.7 Failure to Maintain Records.** In at least two files, Respondent failed to maintain documents
19 for at least 25 months after making the final entry on any loan. This is a repeat violation from the
20 Department's prior examination, which occurred in or around February 2009.

21 **1.8 Failed to Include a Link to the NMLS Consumer Access Web Site Page.** Respondent
22 failed to include a link to the NMLS consumer access web site page for the Company on its web page,
23 www.academymortgage.com.

1 **1.9 Failed to Implement an Advertisement Monitoring System or Maintain Records.**

2 Respondent advertised a loan close guarantee for which if a consumer's loan did not closed within ten
3 or fifteen days that Respondent would pay \$50-\$100 per day to the consumer. Respondent was unable
4 to provide the Department with any information as to if Respondent ever paid out on this guarantee,
5 how much had been paid, how many consumers requested compensation, or provide a list of
6 recipients.

7 **1.10 On-Going Investigation.** The Department's investigation into the alleged violations of the
8 Act by Respondent continues to date.

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

10 **2.1 Definition of Mortgage Loan Originator.** Pursuant to RCW 31.04.015(15)(a), "Mortgage
11 loan originator" means an individual who for compensation or gain (i) takes a residential mortgage
12 loan application, or (ii) offers or negotiates terms of a residential mortgage loan.

13 **2.2 Definition of Borrower.** Pursuant to RCW 31.04.015(3), "Borrower" means any person who
14 consults with or retains a licensee or person subject to this chapter in an effort to obtain or seek
15 information about obtaining a loan, regardless of whether that person actually obtains such a loan.

16 **2.3 Unlicensed Loan Originators.** Based on the Factual Allegations set forth in Section I above,
17 Respondent is in apparent violation of RCW 31.04.027(2) and RCW 31.04.035 for engaging in the
18 business of a consumer loan company using individuals not licensed with the Department to assist
19 borrower in applying for a residential mortgage loan.

20 **2.4 Responsibility for Conduct of Employees.** Pursuant to RCW 31.04.027(2) and WAC 208-
21 620-372, a consumer loan company is responsible for any conduct violating the act or these rules by
22 any person employed, or engaged as an independent contractor, to work in the business covered by the
23 consumer loan company's license.

1 **2.5 Requirement to Complete Documents for Borrower Signature.** Based on the Factual
2 Allegations set forth in Section I above, Respondent is in apparent violation of RCW 31.04.027(2) and
3 WAC 208-620-550(7) by leaving blanks on a document that is signed by a borrower or providing the
4 borrower with documents with blanks.

5 **2.6 Requirement to Provide Accurate GFEs.** Based on the Factual Allegations set forth in
6 Section I above, Respondent is in apparent violation of RCW 31.04.102 and WAC 208-620-505 for
7 failing to provide complete and accurate GFEs within three days of application.

8 **2.7 Requirement to Provide Clear and Understandable Rate Lock Disclosures.** Based on the
9 Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW
10 31.04.027(2) and WAC 208-620-510(3) and (4) for failing to provide rate lock disclosures in an
11 understandable form.

12 **2.8 Requirement to Maintain Adequate Records.** Based on the Factual Allegations set forth in
13 Section I above, Respondent is in apparent violation of RCW 31.04.155 and WAC 208-620-520 for
14 failing to maintain the books, accounts, records, papers, documents, files, and other information
15 relevant to a loan or servicing of a loan for a minimum of twenty-five months, or the period of time
16 required by federal law, whichever is longer, after making the final entry on that loan at a licensed
17 location.

18 **2.9 Requirement to Link to the NMLS Consumer Access Website Page.** Based on the Factual
19 Allegations set forth in Section I above, Respondent is in apparent violation of RCW 31.04.027(2) and
20 WAC 208-620-622 for failing to include a link to the NMLS consumer access web site page for
21 Respondent on Respondent's web page.

22 **2.10 Requirement to Establish and Maintain Advertising Monitoring System and Maintain**
23 **Records.** Based on the Factual Allegations set forth in Section I above, Respondent is in apparent

1 violation of RCW 31.04.155 for failing to keep and use in the business such books, accounts, records,
2 papers, documents, files, and other information as will enable the Department to determine whether
3 the licensee is complying with the Act.

4 III. AUTHORITY TO IMPOSE SANCTIONS

5 **3.1 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4)(a), the Director may impose fines of
6 up to one hundred dollars per day upon the licensee, its employee, or any other person subject to the
7 Act for any violation of the Act.

8 **3.2 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
9 590, every licensee examined or investigated by the Director or the Director's designee shall pay for
10 the cost of the examination or investigation, calculated at the rate of \$69.01 per staff hour devoted to
11 the investigation.

12 **3.3 Requirement to Retain Records.** Pursuant to RCW 31.04.155 and WAC 208-620-520, every
13 licensee must maintain the books, accounts, records, papers, documents, files, and other information
14 relevant to a loan or servicing of a loan for a minimum of twenty-five months, or the period of time
15 required by federal law, whichever is longer, after making the final entry on that loan at a licensed
16 location.

17 IV. NOTICE OF INTENTION TO ENTER ORDER

18 Respondent's violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC, as
19 set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
20 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and RCW
21 31.04.205. Therefore, it is the Director's intention to ORDER that:

22 **4.1** Respondent Academy Mortgage Corporation pay a fine which as of the date of these charges
23 totals \$15,000;

