

LAWRENCE G. WASDEN
Attorney General

BRIAN D. NICHOLAS, ISB # 3585
Deputy Attorney General
State of Idaho
Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031
Telephone: (208) 332-8092
Facsimile: (208) 332-8016
brian.nicholas@finance.idaho.gov

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

STATE OF IDAHO, DEPARTMENT OF)	
FINANCE, CONSUMER FINANCE)	
BUREAU,)	Docket No. 2011-8-01
)	
Complainant,)	
)	
vs.)	CONSENT ORDER
)	
ACADEMY MORTGAGE)	
CORPORATION)	
)	
Respondent.)	
)	

The State of Idaho, Department of Finance, Consumer Finance Bureau (Department) has conducted an examination of the mortgage brokering/lending and related business activities of ACADEMY MORTGAGE CORPORATION (the Respondent), and has concluded therefrom that the Respondent has engaged in violations of the Idaho Residential Mortgage Practices Act, Idaho Code § 26-31-101 *et seq.* (the Act); an order issued by the Director of the Department of Finance (Director) under the Act; and applicable federal law and regulations. The Director and the Respondent have agreed to resolve this matter through the entry of this Consent Order, in lieu

of a formal administrative proceeding or a civil enforcement lawsuit. The Director deems it appropriate and in the public interest to enter into this Consent Order, and the Respondent voluntarily consents to its entry.

RESPONDENT

1. The Respondent is a licensed mortgage broker/lender in the state of Idaho, holding Idaho Mortgage Broker/Lender License No. MBL-671 since March 25, 1997. The Respondent's home office is located at 1218 E. 7800 S. #100, Sandy, Utah 84094. The Respondent also maintains Idaho-licensed branch locations in Centennial, Colorado; Sandy, Utah; Tremonton, Utah; Spokane, Washington; Nampa, Idaho; Reno, Nevada; Coeur d'Alene, Idaho; Caldwell, Idaho; and two branch locations in Layton, Utah.

FACTS

2. Over the time period between February of 2003 and April of 2004, the Department issued four (4) administrative orders against the Respondent, addressing various violations of the Act and applicable federal law by the Respondent. Such violations included engaging in mortgage brokering/lending activities in Idaho from unlicensed locations, paying unearned fees, and paying fees at closing not previously disclosed to borrowers. One of such orders, issued by the Director on June 15, 2004, included the Respondent's agreement to comply from that point forward with all provisions of the Act, rules promulgated thereunder, and all federal laws and regulations applicable to the mortgage brokering/lending business.

3. On November 15, 2010, pursuant to § 26-31-204(3) of the Act, Department Examiners Daniel Kline and Billie Kay conducted an examination of the Respondent's mortgage brokering/lending activities in Idaho at the Respondent's home office in Sandy, Utah (Examination).

4. The Respondent cooperated with the Department during the course of the Examination. In addition, subsequent to the issuance of the findings of the Examination, the Respondent indicated to the Department that it has implemented a number of significant controls over its loan origination system designed to prevent the type of violations that resulted in this Consent Order.

VIOLATIONS

5. From information obtained during the Examination, the Department examiners concluded that over the time period covered by the Examination, the Respondent engaged in violations of the Act, including, but not limited to, the following:

a. The Respondent had engaged in the business of making or brokering residential mortgage loans from a place of business for which the Respondent failed to hold a license, in violation of § 26-31-206(7) of the Act.

b. The Respondent had engaged in mortgage loan origination activity through persons who at the time of such mortgage loan origination activity did not hold an Idaho mortgage loan originator license, in violation of § 26-31-211(10) of the Act.

6. The violations of the Act by the Respondent that are set forth in paragraph 5 above constitute violations of the Order issued by the Director against the Respondent on June 15, 2004 referenced in paragraph 2 above.

REMEDIES

7. To address such violations, the Respondent agrees to pay to the Department an administrative penalty in the amount of one hundred fifty thousand dollars (\$150,000), and an additional five thousand dollars (\$5,000) as attorney fees and investigative costs incurred by the

Department in pursuing this matter, for a total payment to the Department of one hundred fifty-five thousand dollars (\$155,000).

8. The Department agrees that if the Respondent timely and fully complies with payment of the sums set forth in paragraph 7 above and the other terms set forth herein, the Department will forgo seeking further penalties or other sanctions for the violations referenced above, as well as all other violations of the Act, rules promulgated under the Act, and federal law and regulations found by Department examiners during the Examination.

9. The Respondent acknowledges that it is aware of and understands all findings made by Department examiners that were set forth in the Report of the Examination. The Respondent further acknowledges that should all such violations not be rectified immediately and procedures put in place to correct the activities giving rise to such violations, and should the Department find after the entry of this Consent Order that such violations have continued to occur, the Department may seek additional sanctions against the Respondent.

10. The Respondent agrees to comply with all provisions of the Act, all rules promulgated thereunder, this Consent Order, and all federal laws and regulations applicable to its mortgage brokering/lending business at all times in the future.

11. The Respondent acknowledges and understands that this Consent Order is an administrative action that must be disclosed to the Department on future licensing and renewal forms. The disclosure requirements of other states may also require disclosure of the same. The Department agrees that the entry of this Consent Order will not be a basis to deny any future request by the Respondent for license renewal.

DATED this 26 day of September, 2011.

ACADEMY MORTGAGE CORPORATION

By: [Signature]

President

Title

DATED this 26 day of September, 2011.

STATE OF IDAHO
DEPARTMENT OF FINANCE

[Signature]

MICHAEL LARSEN

Consumer Finance Bureau Chief

IT IS SO ORDERED.

DATED this 30TH day of SEPTEMBER, 2011.



STATE OF IDAHO
DEPARTMENT OF FINANCE

[Signature]

GAVIN M. GEE, Director

Idaho Department of Finance

CERTIFICATE OF SERVICE

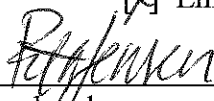
I HEREBY CERTIFY that on this 30 day of September, 2011, I caused a true and correct fully-executed copy of the foregoing CONSENT ORDER to be served on the following by the designated means:

Michael E. Huber
General Counsel
Academy Mortgage Corporation
1218 East 7800 South #100
Sandy, UT 84094

- U.S. mail, postage prepaid
- Certified mail
- Facsimile
- Email

Mitchel H. Kider
WEINER BRODSKY SIDMAN KIDER PC
1300 19th Street NW, 5th Floor
Washington, DC 20036-1609

- U.S. mail, postage prepaid
- Certified mail
- Facsimile
- Email: kider@wbsk.com



Paralegal