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

STATE OF IDAHO, DEPARTMENT OF
FINANCE,

Complainant,

vs.

NATIONAL HOMEOWNER SERVICES,

Respondent.

Docket No. 2021-41-02

ORDER TO CEASE AND DESIST

Patricia R. Perkins, Director of the Idaho Department of Finance (Director), being authorized and directed to administer and enforce the Idaho Financial Fraud Prevention Act, Idaho Code § 67-2750 *et seq.* (IFFPA), hereby makes the following factual findings which constitute a basis for the issuance of an ORDER TO CEASE AND DESIST (Order) pursuant to Idaho Code § 67-2755(1) requiring NATIONAL HOMEOWNER SERVICES (Respondent) to cease and desist from violating the IFFPA by disseminating information to the public that is confusing,

misleading, and deceptive; and to cease and desist from any other activities which violate the IFFPA.

FINDINGS OF FACT

2. Respondent offers mortgage insurance protection to residents of Idaho with a mailing address of P.O. Box 815766, Dallas, Texas, 75381.

3. As of October 26, 2021, Respondent is not registered with the Idaho Secretary of State to conduct business in Idaho.

4. Idaho resident ZH received a solicitation from Respondent offering mortgage insurance protection. In the solicitation, Respondent uses the name Idaho Central Credit Union, which is ZH's mortgage lender.

5. The solicitation sent to ZH implies that it came from or was authorized by Idaho Central Credit Union.

6. Idaho Central Credit Union did not send nor authorize the solicitation. Respondent does not have permission from Idaho Central Credit Union to use its name in its solicitations of Idaho residents.

CONCLUSION OF LAW

VIOLATIONS OF § 67-2752(7) OF THE IFFPA

7. The allegations set forth in paragraphs 1 through 6 above are fully incorporated herein by this reference.

8. The Idaho Financial Fraud Prevention Act (IFFPA), at Idaho Code § 67-2752(7), prohibits persons from using "in a manner likely to cause confusion or mistake or to deceive, the name, trademark, service mark, or logo of a financial institution in connection with the sale,

offering for sale, distribution, or advertising of any product or service without the consent of the financial institution.”

9. In the solicitation Respondent sent to ZH, Respondent used the name Idaho Central Credit Union and suggested or implied that Idaho Central Credit Union had endorsed or approved of Respondent’s mortgage protection services or that Idaho Central Credit Union was associated with Respondent’s mortgage protection insurance services. Respondent did not have the consent of Idaho Central Credit Union to use the credit union’s name in Respondent’s solicitation.

10. Respondent’s use of the name Idaho Central Credit Union in Respondent’s solicitations was likely to cause confusion or to deceive the recipient.

11. Respondent’s sending of a solicitation using the name Idaho Central Credit Union without the credit union’s consent, to an Idaho resident, constitutes a violation of the IFFPA.

FINDING OF IMMEDIATE DANGER

12. Respondent’s solicitations suggest that a recipient’s financial institution, Idaho Central Credit Union, has either endorsed or worked in conjunction with Respondent. This is not the case. It is probable that Respondent is sending or has sent similar solicitations to other Idaho residents.

REMEDY

13. Idaho Code § 67-2755(1) authorizes the Director to Order a person to cease and desist from violations or attempted violations of the IFFPA if, in the determination Director, it is necessary to protect any financial institution or the public, or a person is violating or is about to violate the IFFPA.

ORDER

The Director, having reviewed the foregoing, and good cause being shown therefor,

THE DIRECTOR HEREBY FINDS that Respondent has violated the Idaho Financial Fraud Prevention Act, Idaho Code § 67-2750 *et seq.*, and that issuance of this Order is necessary to protect the financial institution named in Respondent's solicitation and the public pursuant to Idaho Code § 67-2755(1).

NOW, THEREFORE, IT IS HEREBY ORDERED:

Pursuant to Idaho Code § 67-2755(1) of the IFFPA, Respondent shall CEASE AND DESIST from violations the Idaho Financial Fraud Prevention Act, to include engaging in advertising that is misleading, confusing, and deceptive and using the names of Idaho financial institutions in advertisements and solicitations without the consent or permission of the financial institutions. Because of the danger to the public presented by Respondent's violation of the IFFPA, this action constitutes an emergency contested case, and this Order is effective upon its issuance.

NOTICE

Respondent is hereby notified that the foregoing ORDER TO CEASE AND DESIST is a final order of the Director. Pursuant to Idaho Code § 67-5246, Respondent may file a motion for reconsideration of this Order within fourteen (14) days of the issuance of this Order. The motion for reconsideration or request for a hearing shall be served on:

Salvador Cruz
Financial Institutions Bureau Chief
Idaho Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031

A copy of such motion for reconsideration shall also be served on the Department's counsel, Brian D. Nicholas, Deputy Attorney General at the same address.

Any hearing and subsequent proceedings in this matter will be conducted in accordance with the Idaho Administrative Procedure Act, Idaho Code § 67-5201 *et seq.*

If Respondent timely files a motion for reconsideration, the Department will dispose of such motion within twenty-one (21) days of its receipt, or the motion will be considered denied by operation of law, pursuant to Idaho Code § 67-5246(4).

If Respondent timely requests a hearing, Respondent will be notified of the date, time, and place of the hearing, as well as the name of the presiding officer. At the hearing, Respondent will be entitled to enter an appearance, introduce evidence, examine and cross-examine witnesses, make arguments, and generally participate in the conduct of the proceedings. Respondent may also be represented by legal counsel at their own expense.

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order may appeal from such order to the district court by filing a petition in the district court of the county in which:

- a. a hearing was held;
- b. the final agency action was taken;
- c. the party seeking review of the order resides, or
- d. the real property or personal property that was the subject of the agency action is located.

An appeal must be filed within twenty-eight (28) days: (a) of the issuance of this Order, (b) of the issuance of an order denying a motion for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. Idaho

Code § 67-5273(2). The filing of an appeal to the district court does not itself stay the effectiveness of enforcement of the order being appealed.

IT IS SO ORDERED.

DATED this 23rd day of November, 2021.



STATE OF IDAHO
DEPARTMENT OF FINANCE

A handwritten signature in cursive script, reading "Patricia R. Perkins", written over a horizontal line.

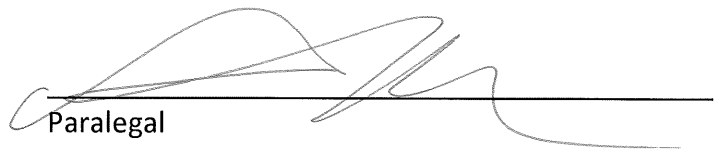
PATRICIA R. PERKINS, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 23rd day of November, 2021, I caused a true and correct copy of the foregoing ORDER TO CEASE AND DESIST to be served on the following by the designated means:

National Homeowner Services
PO Box 815766
Dallas, TX 75381-9727

[] U.S. mail, postage prepaid
[] certified mail
[] fax: 828-581-0476
[] email:



Paralegal