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3 STATE OF OREGON
4 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
5 DIVISION OF FINANCIAL REGULATION

6 In the Matter of:

Case No. DM-22-0087

7 ACADEMY HOME SERVICE,

8 Respondent.

FINAL ORDER TO CEASE AND
DESIST AND FINAL ORDER
ASSESSING CIVIL PENALTIES,
ENTERED BY DEFAULT

9 On August 25, 2022, the Director of the Oregon Department of Consumer and
10 Business Services for the State of Oregon (the “Director”), through the Division of
11 Financial Regulation (the “Division”), properly served Academy Home Service an Order
12 to Cease and Desist, Proposed Order Assessing Civil Penalties, and Notice of Right to a
13 Hearing (“Notice Order”) via regular and certified United States mail at its business
14 addresses.

15 The Notice Order offered Academy Home Service an opportunity for a hearing, if
16 requested in writing within 20 days of service. The Notice Order further informed
17 Academy Home Service that if a hearing was not conducted because it did not timely
18 request a hearing or otherwise defaulted, then the designated portion of the Division’s file,
19 which includes all materials Academy Home Service submitted, would automatically
20 become part of the contested case record to prove a *prima facie* case. Academy Home
21 Service has not made a written request for a contested hearing, and the time to do so has
22 passed.

23 After considering the relevant portions of the Division’s file in this matter, the
24 Director finds that the record proves a *prima facie* case. Now, therefore, the Director makes
25 the following Findings of Fact and Conclusions of Law and issues the following Orders.
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Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 **FINDINGS OF FACT**

2 The Director FINDS that:

3 1. Academy Home Service is an entity with a business address of 2355 Westwood
4 Boulevard, #413, Los Angeles, CA 90064. Its website is <https://academyhomeservice.com>.

5 2. Academy Home Service has never been registered with the Oregon or
6 California Secretaries of State to conduct business in each state. It has also never been
7 licensed with the Division as a mortgage banker/broker or registered as a debt management
8 service provider (“DMSP”).

9 3. At all times relevant, HN is an individual with a mortgage loan secured by an
10 Oregon residential property. She applied to a COVID-19 mortgage assistance government
11 program.

12 4. Academy Home Service subsequently contacted HN and offered to “represent”
13 her in negotiating a “settlement” with her mortgage lender or servicer that would lower her
14 mortgage loan interest rate to approximately 1.86%. The lower interest rate would lower
15 her monthly mortgage payment by over \$300.

16 5. Academy Home Service sent HN a written offer detailing its proposed terms
17 for the mortgage loan modification and a “Fee Agreement,” which HN signed on or about
18 December 2, 2021.

19 6. Per the Fee Agreement, Academy Home Service’s fees for HN’s mortgage loan
20 modification was over \$4,000, to be paid in installments.

21 7. After paying Academy Home Service the first installment of \$1,051.03, HN
22 discovered that Academy Home Service “didn’t exist[.]” She called her mortgage servicer
23 and was told that Academy Home Service was “a scam[.]”

24 8. On or about March 18, 2022, HN filed a complaint with the Division. The
25 Division contacted Academy Home Service regarding the complaint but did not receive a
26 response.

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1 **CONCLUSIONS OF LAW**

2 The Director CONCLUDES that:

3 9. By offering to represent HN in a settlement negotiation that would lower her
4 mortgage loan interest and monthly mortgage payment, Academy Home Service attempted
5 to obtain as an intermediary on a consumer’s behalf a concession from a creditor.

6 10. By receiving or expecting to receive money or other valuable consideration for
7 attempting to obtain on a consumer’s behalf a concession from a creditor, including but not
8 limited to a reduction in the principal, interest, penalties, or fees associated with a debt,
9 Academy Home Service performed a debt management service as defined in ORS
10 697.602(2)(d).

11 11. By performing a debt management service without being registered with the
12 Division as a DMSP, Academy violated ORS 697.612(1)(a).

13 12. By accepting an initial installment payment of \$1,051.03 from HN, Academy
14 Home Service violated ORS 697.692(1)(a), which prohibits initial fees greater than \$50.00.

15 13. Because the Director has reason to believe that Academy Home Service
16 violated ORS 697.612(1)(a) and ORS 697.692(1)(a), the Director is authorized under
17 ORS 697.825(1)(a) to order Academy Home Service to cease and desist from violating
18 those provisions.

19 14. ORS 697.832(1) authorizes the Director to assess up to a \$5,000.00 civil penalty
20 against Academy Home Service per violation of the Oregon Debt Management Service
21 Provider Law.

22 15. Academy Home Service acted as a “mortgage broker” under ORS
23 86A.100(5)(a)(C) when, for compensation or in the expectation of compensation, it directly
24 or indirectly made, negotiated, or offered to make or negotiate, a modification to the terms
25 and conditions of HN’s mortgage loan.

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1 16. By acting as a mortgage broker on HN’s loan modification transaction,
2 Academy Home Service engaged in a “residential mortgage transaction[] in this state”
3 under ORS 86A.103(2) without being licensed as a mortgage broker, in violation of ORS
4 86A.103(1).

5 17. Because the Director has reason to believe that Academy Home Service
6 violated ORS 86A.103(1), the Director is authorized under ORS 86A.127(4) to order
7 Academy Home Service to cease and desist from violating that provision.

8 18. ORS 86A.992(1) authorizes the Director to assess up to a \$5,000.00 civil
9 penalty against Academy Home Service per violation of the Oregon Mortgage Lender Law.

10 **ORDER**

11 Now therefore, the Director issues the following ORDERS:

12 19. As authorized by ORS 697.825(1)(a) and ORS 86A.127(4), the Director
13 ORDERS Academy Home Service to CEASE AND DESIST from violating ORS
14 697.612(1)(a), ORS 697.692(1)(a), and ORS 86A.103(1).

15 20. As authorized by ORS 697.832(1) and ORS 86A.992(1), the Director ORDERS
16 Academy Home Service to pay \$10,000.00 in CIVIL PENALTIES, allocated as follows:

17 A. \$5,000.00 for unregistered activity under ORS 697.612(1)(a) and unlicensed
18 activity under ORS 86A.103(1); and

19 B. \$5,000.00 for a fee violation under ORS 697.692(1)(a).

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