

**STATE OF VERMONT
DEPARTMENT OF BANKING, INSURANCE, SECURITIES
AND HEALTH CARE ADMINISTRATION**

In Re:)
)
Academy Mortgage Corporation) **Docket No. 10 -063-B**
)
Respondent)

STIPULATION AND CONSENT ORDER

Background

1. Pursuant to 8 V.S.A., Chapters 1 and 73, the Commissioner of the Vermont Department of Banking, Insurance, Securities, and Health Care Administration (the "Department") is charged with administering and enforcing Vermont law as it pertains to licensed lenders in the State of Vermont.

2. Academy Mortgage Corporation ("Academy") is a Utah corporation with a principal place of business at 1218 East 7800 South, Suite 100, Sandy, Utah 84094.

3. At all relevant times Academy held license no. 6125 to act as a licensed lender in the State of Vermont and held mortgage broker license no. 0961MB to act as a mortgage broker in the State of Vermont, both from a location at 1218 East 7800 South, Suite 100, Sandy, Utah 84094. Academy does not, and did not, hold any other Vermont lender or mortgage broker licenses.

4. The Department has alleged that between May 5, 2009 and January 31, 2010:

a. On one or more occasions Academy originated loans from unlicensed locations in violation of 8 VSA §§ 2206, 2208, and 2228.

b. On one or more occasions Academy did not issue a commitment letter in the form and content or within the time frame required by 9 VSA §103 and Department Regulation B-98-1.

c. On one or more occasions Academy issued a privacy notice that did not comply with the requirements of Department Regulation B-2001-01.

d. On one or more occasions Academy imposed a cushion on home loan escrow accounts in excess of the one-month limit permitted by 8 VSA §10404.

e. Academy failed to properly maintain its segregated applicant escrow account in violation of 8 VSA §2218.

5. Academy has denied any intentional wrongdoing on its part.
6. The parties wish to resolve this matter without administrative or judicial proceedings.
7. Academy and the Department expressly agree to enter into this Stipulation and Consent Order in full and complete resolution of the alleged violations described in paragraph 4.

Stipulation and Agreement

Academy and the Department hereby stipulate and agree as follows:

8. Academy does not dispute that there is a factual basis for the allegations.
9. Academy shall pay an administrative penalty to the Department in the amount of \$10,000.00, which payment shall be made on or before August 15, 2010.
10. Academy shall:
 - a. License the locations from which loans officers work with Vermont borrowers and shall not conduct any business with Vermont borrowers from unlicensed locations.
 - b. Issue commitment letters in the form and at the time required by 9 VSA §103 and Department Regulation B-98-1.
 - c. Revise its Vermont privacy notice and policies so that they are in compliance with Department Regulation B-2001-01 and shall only issue to Vermont borrowers privacy notices that are in compliance with Vermont law.
 - d. Limit its home loan escrow account cushion to not more than one-month, as permitted by 8 VSA §10404.
 - e. Maintain its applicant escrow account so that funds are not commingled or overdrawn, as required by 8 VSA §2218.
11. Academy shall adopt policies and procedures to insure that Academy complies with paragraph 10 and shall provide the Department with a copy of such policies and procedures by August 15, 2010.
12. Academy shall send the Department complete loan files of Academy's next three Vermont loans so that the Department may review for compliance with Vermont law and with this Stipulation and Consent Order
13. In the event Academy fails to pay the administrative penalty or fails to provide the Department with a copy of its policies and procedures, both on or before August 15, 2010, or fails to provide the Department with copies of its next three Vermont loan files, the Commissioner may, upon request from the Banking Division of the Department, issue an Order suspending any or all of Academy's licenses and imposing additional administrative penalties.

The Department's failure to exercise this option shall not constitute a waiver of the right to exercise such option at any other time.

14. The Department shall retain continuing jurisdiction in this matter until Academy has complied with the terms and conditions of this Stipulation and Order.

15. This Stipulation and Order shall not prevent any person from pursuing any claim he or she may have against Academy, nor shall it be understood as determining whether any such claim may or may not exist in law or equity.

16. Nothing contained in this Stipulation and Order shall restrain or limit the Department in responding to and addressing any actual complaint filed with the Department involving Academy and the Department reserves the right to pursue restitution in connection with any complaint filed with the Department.

17. Academy knowingly and voluntarily waives any right it may have to judicial review by any court of these matters by way of suit, appeal, or extraordinary relief resulting from entry or enforcement of this Stipulation and Order.

ORDER

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

18. Academy shall comply with all agreements, stipulations, and undertakings as recited above.

19. Academy shall pay an administrative penalty to the Department in the amount of \$10,000.00, which payment shall be made on or before August 15, 2010.

20. On or before August 15, 2010 Academy shall provide the Department with a copy of its policies and procedures as required by paragraph 11.

21. Academy shall send the Department complete loan files of Academy's next three Vermont loans so that the Department may review for compliance with Vermont law and with this Stipulation and Consent Order.

22. In the event Academy fails to pay the administrative penalty or fails to provide the Department with a copy of its policies and procedures, both on or before August 15, 2010, or fails to provide the Department with copies of its next three Vermont loan files, the Commissioner may, upon request from the Banking Division of the Department, issue an Order suspending any or all of Academy's licenses and imposing additional administrative penalties. The Department's failure to exercise this option shall not constitute a waiver of the right to exercise such option at any other time.

23. This Order shall not prevent any person from pursuing any claim he or she may have against Academy.

24. Nothing contained in this Order shall restrain the Department from responding to and addressing any complaint involving Academy filed with the Department or shall preclude the Department from pursuing any other violation of law.

25. This Order shall not be construed as an adjudication of any violation of any Vermont law or federal law, except as specifically set forth herein.

**Vermont Department Of Banking,
Insurance, Securities, And
Health Care Administration**


Michael S. Bertrand
Commissioner

Dated this 23rd day of July, 2010

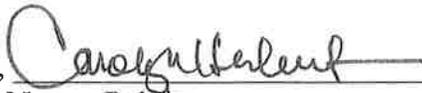
**CONSENTED AND AGREED TO:
Academy Mortgage Corporation**

By: 
(Print Name: Adam Kessler)
Title: President

Dated this 20th day of July, 2010

STATE OF Utah) SS
COUNTY OF Salt Lake)

On the 20th day of July, 2010, personally appeared Adam Kessler,
being the President and duly authorized representative **Academy Mortgage Corporation**, signer of the foregoing Stipulation and Consent Order and acknowledged the same to be his/her free act and deed and the free act and deed of **Academy Mortgage Corporation**.

Before me, 
Notary Public
My commission expires 7/17/11

