

**STATE OF ALABAMA  
STATE BANKING DEPARTMENT**

<b>IN THE MATTER OF</b>	)	
	)	
<b>HARDSHIP CENTER LLC</b>	)	
<b>A/K/A HARDSHIPCENTER.COM</b>	)	<b>ADMINISTRATIVE ORDER</b>
	)	<b>NO. ICD 2011-002</b>
<b><u>RESPONDENT</u></b>	)	

**IMMEDIATE CEASE AND DESIST ORDER**

The Alabama State Banking Department (“Department”), having the authority to administer and provide for the enforcement of all provisions of Title 5, Chapter 19, Code of Alabama 1975, the Alabama Consumer Credit Act (“ACCA”), Title 5, Chapter 25, Code of Alabama 1975, the Alabama Mortgage Broker Licensing Act (“AMBLA”), and Title 5, Chapter 26, Code of Alabama 1975, the Alabama S.A.F.E. Mortgage Licensing Act (“SAFE Act”), upon due consideration of the subject matter hereof, and having confirmed information of unlicensed lending activity within or from the State of Alabama, has determined as follows:

**RESPONDENT**

**HARDSHIP CENTER, LLC (“HARDSHIP CENTER”)**, advertises itself as a loan modification company and offers to assist Alabama consumers with their loan modification through the internet. **HARDSHIP CENTER** maintains a website at [www.hardshipcenter.com](http://www.hardshipcenter.com). Documents received by the Department indicate that **HARDSHIP CENTER** is located at 2458 Newport BLVD, Suite 205, Costa Mesa, CA.

**STATEMENT OF FACTS**

On November 17, 2011, the Department received a call from an Alabama consumer regarding mortgage loan modification offers made by **HARDSHIP CENTER**. The consumer indicated that **HARDSHIP CENTER** had required a \$3,000 “upfront fee” be paid by the consumer. The consumer indicated that they had applied or were applying for a mortgage loan modification. The Department is in possession of a facsimile to the consumer confirming that **HARDSHIP CENTER** would assist the consumer in a mortgage loan modification. The facsimile also contains the amount of the upfront fee of \$3,000 and a payment plan consisting of an initial payment of \$1,500, a payment of \$1,000 after 30 days and then a final payment of \$500. The **HARDSHIP CENTER** facsimile was electronically signed by “Mitch T”.

A review of the records of the Department determined that **HARDSHIP CENTER** was not licensed by the Department nor had **HARDSHIP CENTER** submitted any application for licensure with the Department.

A review by the Department of the Alabama Secretary of State's records determined that **HARDSHIP CENTER** was not registered to conduct business in Alabama as a foreign entity.

A review by the Department of the California Secretary of State's records determined that **HARDSHIP CENTER** was not registered with the State of California.

### CONCLUSIONS OF LAW

Section 5-19-22, Code of Alabama 1975, provides that creditors engaged in lending in Alabama or accepting assignment of consumer credit contracts must be licensed under the ACCA. The **RESPONDENT, HARDSHIP CENTER**, is not licensed by the Department nor has the Department received an application for licensure from the **RESPONDENT, HARDSHIP CENTER**.

Section 5-25-4, Code of Alabama 1975, provides that persons engaged in mortgage brokering in Alabama must be licensed under the AMBLA. The **RESPONDENT, HARDSHIP CENTER**, is not licensed by the Department nor has the Department received an application for licensure from the **RESPONDENT, HARDSHIP CENTER**.

Section 5-26-4, Code of Alabama 1975, provides that individuals engaged in loss mitigation should be licensed as a mortgage loan originator under the Alabama SAFE Act. The **RESPONDENT, HARDSHIP CENTER**, does not have an individual licensed as a mortgage loan originator by the Department nor has the Department received an application for licensure from any employee of the **RESPONDENT, HARDSHIP CENTER**.

Regulation 155-2-2-.18, written in response to unlicensed mortgage loan modification activity, requires loan modification companies to obtain a license, either through the Alabama Consumer Credit Act or the Alabama Mortgage Brokers Licensing Act. This regulation also caps the fees charged by licensed mortgage loan modification companies at \$500.

Section 5-26-13, Code of Alabama 1975, provides that the Department may issue an Immediate Cease and Desist Order.

As a consequence of these violations and the potential harm to consumers impacted by what appears to be an advance fee loan scheme by the **RESPONDENT**, the Department believes the issuance of this Immediate Cease and Desist Order against the **RESPONDENT** is warranted.

This Order is appropriate in the public interest for the protection of consumers and consistent with the provisions and purposes of the ACCA, AMBLA, and the SAFE Act. This Order does not prevent the Department from seeking such other civil or criminal remedies that may be available to it under various state laws. Additionally, it is the intention of the Department to impose civil money penalties upon the **RESPONDENT** as well as any other sanctions available to the Department.

**ACCORDINGLY, IT IS HEREBY ORDERED** that **RESPONDENT** immediately **CEASE AND DESIST** from further offers of or other lending activities within or from the State of Alabama.

Entered at Montgomery, Alabama, this 18<sup>th</sup> day of November, 2011.

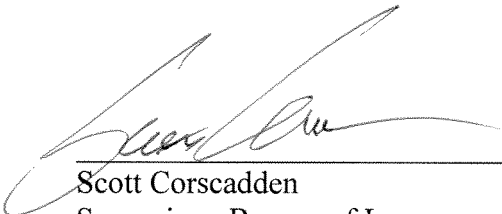
STATE BANKING DEPARTMENT

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BY:



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Supervisor, Bureau of Loans