



Charles G. Cooper
Commissioner

TEXAS DEPARTMENT OF BANKING

2601 North Lamar Blvd., Austin, Texas 78705

512-475-1300 / 877-276-5554

www.dob.texas.gov

PRESS RELEASE

Date: August 16, 2013

**Department of Banking Secures Permanent Receivership, and Permanent Injunction Against Two Money Services Businesses
Firms cannot account for customers' cash**

HOUSTON – The Texas Department of Banking (Department) secured a permanent injunction barring two Houston-based money services businesses - House Savings Investment LLC and AA House Savings Financial, Inc. - from operating their bi-weekly mortgage payment services. The Travis County district court also appointed a permanent receiver for the firms. The Texas Attorney General's Office filed the enforcement action on July 26th on behalf of the Department.

The Department's case originated with an examination of the House Savings Investment LLC, a company licensed by the Department, which led to an investigation of the two firms and their owner and director, Luis Mariaca. According to the Department, the examination revealed that millions of dollars had not been forwarded to mortgagees as promised in customer contracts. In addition to the allegations regarding missing customer funds, the State's enforcement action also charged AA House Savings Financial, Inc. with violating the Texas Finance Code for failing to register and obtain a license as a money services business as the law requires.

According to court documents, sales representatives from the two firms primarily targeted Hispanic homeowners by touting "accelerated mortgage payments" that would reduce the number of years for homeowners to pay off their mortgage loans. To do so, the defendants would make bi-weekly mortgage payments on the homeowners' behalf instead of monthly payments. Making 13 payments a year – which the defendants dubbed an "extra payment" – would save homeowners thousands of dollars. The Department's investigation indicated that in many instances House Savings Investment LLC failed to remit the "extra payment" to the loan providers for homeowners.

For the next two months, the permanent receiver appointed to operate House Savings Investment LLC and AA House Savings Financial, Inc. will continue the regular withdrawals from customer's bank accounts for mortgage payments to loan providers. After that period of time, customers must retake control of their own mortgage payments to loan providers. For more information, affected consumers can call (866) 877-0270.