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STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

TO: Higher Level Processing Inc.
535 East First Street, Suite 200
Tustin, California 92780

DESIST AND REFRAIN ORDERS

(For violations of Financial Code sections 28102, subdivision (a), and 90003, subdivision (a)(1))

The Commissioner of Financial Protection and Innovation finds that:

1. Higher Level Processing Inc. (HLP) is a California corporation with its principal place of business at 535 East First Street, Suite 200, Tustin, California 92780.
2. The Commissioner has jurisdiction over the licensing and regulation of persons engaged in the business of servicing student loans under the Student Loan Servicing Act (SLSA) (Fin. Code, § 28100 et seq.).
3. The Commissioner also has jurisdiction over the regulation of persons engaged in offering or providing a consumer financial product or service in California and affiliated service providers under the California Consumer Financial Protection Law (CCFPL) (Fin. Code, § 90000 et seq.).
4. HLP maintains public websites at www.my-hlp.com and www.hlp360.com and through them offers debt-relief services to consumers nationwide, including California. HLP also advertises its services on social-media platforms Facebook and Instagram and on video-sharing websites YouTube and Vimeo.
5. Since at least 2017, HLP has engaged in the business of assisting federal-student-loan borrowers with preparing and submitting applications to the U.S. Department of Education (ED) for forbearance, deferment, loan consolidation, income-driven repayment plans, loan forgiveness, and other debt relief.
6. HLP assesses consumers’ “loan history,” “loan status,” and other information to determine their eligibility for repayment options and to recommend the “optimal repayment

1 program,” along with an “estimate of what [they] can save.”

2 7. On behalf of consumers, HLP prepares and submits paperwork to ED in support of
3 applications for repayment plans or programs.

4 8. After any such applications are approved, HLP assists consumers with preparing and
5 submitting annual recertifications of their income, family size, and marital status and provides “other
6 administrative support,” such as monitoring changes to marital status, tax filing status, or state of
7 residence.

8 9. HLP charges a one-time “processing fee” of about \$800.00 to \$1,600.00 and a
9 monthly “maintenance fee” of about \$25.00 to \$40.00 for its services.

10 10. HLP offered or provided the services described above and charged a fee for such
11 services to at least one California resident on or after January 1, 2021.

12 **APPLICABLE LAW – SLSA**

13 11. It is unlawful for a person to engage in the business of servicing a student loan in
14 California without first obtaining a license under the SLSA. (Fin. Code, § 28102, subd. (a).)

15 12. “Servicing” includes interacting with a borrower regarding that borrower’s student
16 loan, with the goal of helping the borrower avoid default on the loan. (Fin. Code, § 28104, subd.
17 (k)(3).)

18 13. To avoid default on a federal student loan, a borrower has several options, including
19 deferment, forbearance, an income-driven or income-sensitive repayment plan, loan consolidation,
20 and loan forgiveness. (Cal. Code Regs., tit. 10, § 2041, subd. (b); 20 U.S.C. § 1083(e)(3)(C); 34
21 C.F.R. §§ 682.205(a)(5)(C), 682.411(d)(1).)

22 14. Under Financial Code section 28160, whenever, in the opinion of the Commissioner,
23 a person is engaged in the business of servicing student loans in California, either actually or through
24 subterfuge, without a license from the Commissioner, the Commissioner “may order that person to
25 desist and refrain.”

26 **ORDER TO DESIST AND REFRAIN – SLSA**

27 15. HLP engaged in the business of servicing student loans in California within the
28 meaning of Financial Code section 28104, subdivision (k)(3), by interacting with California

1 section 90003 or 90004, the Commissioner “may issue an order directing the person to desist and
2 refrain from engaging in the activity, act, practice, or course of business.”

3 **ORDER TO DESIST AND REFRAIN – CCFPL**

4 25. HLP is a covered person under the CCFPL because it engages in offering or providing
5 consumer financial products or services to California residents, including financial advisory services
6 such as credit counseling and assisting consumers with debt management or debt settlement and
7 modifying the terms of any extension of credit. (Fin. Code, § 90005, subd. (k)(8).)

8 26. Based on the foregoing, the Commissioner is of the opinion that Higher Level
9 Processing Inc. has engaged in unlawful acts or practices (namely, unlicensed student-loan servicing
10 in violation of the SLSA) with respect to consumer financial products or services in violation of
11 Financial Code section 90003, subdivision (a)(1).

12 27. Accordingly, under Financial Code section 90015, subdivision (d), Higher Level
13 Processing Inc. is hereby ordered to desist and refrain from engaging in unlawful acts or practices
14 (namely, unlicensed student-loan servicing in violation of the SLSA) with respect to consumer
15 financial products or services in violation of Financial Code section 90003, subdivision (a)(1)
16 (CCFPL Order).

17 28. This CCFPL Order is necessary, in the public interest, for the protection of
18 consumers, and consistent with the purposes, policies, and provisions of the CCFPL. This CCFPL
19 Order shall remain in full force and effect until further order of the Commissioner.

20 Dated: July 8, 2021
21 Los Angeles, California

22 CHRISTOPHER S. SHULTZ
23 Acting Commissioner of Financial Protection and Innovation



24 By _____
25 MARY ANN SMITH
26 Deputy Commissioner
27 Enforcement Division
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