

American Financial Benefits Center Receivership Frequently Asked Questions (FAQs)

1. What companies have been sued by the FTC?

In the FTC's Complaint, the FTC names the following Corporate Defendants:

- American Financial Benefits Center ("AFBC"), also doing business as AFB and AF Student Services;
- AmeriTech Financial ("AmeriTech"); and
- Financial Education Benefits Center ("FEBC").

The FTC also named Brandon Demond Frere as an individual defendant.

2. How do I deal with my student loan now?

We recommend that you immediately contact your student loan servicer and confirm to them that no third party is authorized to represent you in connection with your student loan account. A list of student loan servicers can be found at:

<https://studentaid.gov/manage-loans/repayment/servicers#what-loan-servicers-do>. For free information about repaying your federal student loans, go to <https://studentaid.ed.gov/sa/repay-loans>.

3. Can I get a refund?

At this stage of the case, there are no refund procedures in place. If the FTC prevails in the case, the matter of refunds will be an issue for the FTC and the Court to resolve. This determination is a long way down the road. As further information becomes available on the subject of refunds, we will post it on this website.

4. Will auto-debits still be taken out of my account?

The Receiver has suspended business operations and worked with Defendants' billing director to suspend auto-debits. Customers may want to contact their bank or credit card provider and cancel upcoming payments while the Receiver conducts his investigation.

5. How do I find out if my student loan is in default?

You should contact your student loan servicer to determine the current status of your student loan. A list of student loan servicers can be found at:

<https://studentaid.gov/manage-loans/repayment/servicers#what-loan-servicers-do>

6. Can someone from the Receiver's Office contact me directly?

The Receiver does not have the resources to respond directly to each phone call or email coming into the Receiver's office. The volume is just too high. But, these FAQs are a good substitute for direct contact as they will be regularly updated to respond to new questions and issues as they are raised by consumers.

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7. How do I keep up with what the Receiver is doing?

The Receiver's website is the most efficient vehicle for consumers to keep up with developments. Go to <http://regulatoryresolutions.com/> and click the link for cases and then, *Federal Trade Commission v. American Financial Benefits Center, et al.* The Receiver will also file Status Reports and accountings with the Court which will be posted on the Receiver's website.

8. What is the Federal Trade Commission ("FTC") case about and what is the status?

The FTC's lawsuit alleges that Defendants used deceptive practices and charged consumers unlawful advance fees in connection with its student loan modification business. On November 29, 2018, the Court entered a Preliminary Injunction which prohibits any further unlawful activity and appointed a Receiver to take possession and control of the business.

After taking possession of the business premises in Northern California, the Receiver suspended operations and conducted an investigation into whether the business could operate lawfully and profitably. On December 21, 2018, the Receiver reported to the Court his determination that the business could not operate lawfully or profitably. Operations have been terminated.

The FTC's Complaint and the Preliminary Injunction can be accessed from the Documents section of this webpage.

9. What is a receivership and how does it work?

When the FTC filed its civil action in the federal Court, it asked the Court to appoint a Receiver over the Corporate Defendants. The order appointing the Receiver grants the Receiver broad powers over the Corporate Defendants. In that role, the Receiver is an independent party. He does not work for the FTC or for the Defendants. He reports directly to the Court and is supervised by the Court.