



Contact: Michael Larsen  
Bureau Chief  
Consumer Finance Bureau  
(208) 332-8000

## NEWS RELEASE

For Immediate Release

April 6, 2010

### **Beware of Mortgage Loan Modification Scams**

Financial Literacy Month Smart Consumer Tip of the Week

Boise, Idaho . . . Governor C.L. "Butch" Otter has declared April as "Financial Literacy Month." The Department of Finance will issue a "Smart Consumer Tip of the Week" each week during the month.

With mortgage modification continuing to be one of the top sources of consumer complaints to state and federal financial regulators, Idaho Department of Finance Director Gavin Gee warned homeowners who are searching for ways to save their homes – "Don't fall prey to loan modification scam artists." Fraudulent companies use half-truths and exaggerated promises of help for an up-front fee and provide little or no assistance to borrowers.

"Mortgage modification companies, including short sale negotiation service providers who don't have an Idaho real estate license, are required to be licensed with the department before offering their services in Idaho," Gee said. "These companies cannot require fees or charges prior to completion of a modification – other than third-party charges or charges approved by the department."

If you are considering doing business with a mortgage modification company, check the Department of Finance's Web site or call the department to make certain the loan modification company you have chosen is licensed.

Idahoans seeking help should know how to recognize a fraudulent loan modification offer.

#### **DO NOT AGREE TO LOAN MODIFICATION OFFERS THAT:**

- ▶ guarantee to stop your foreclosure – no matter what your circumstances
- ▶ require payments for services upfront by cashier's check or money order
- ▶ tell you to immediately begin making your mortgage payment to them--not your lender
- ▶ ask you to transfer your title or property deed
- ▶ encourage you to lease your home with the option to buy it back over time

Fraud schemes often include omissions of the truth and misrepresentations when offering short sales negotiations, bail-outs, foreclosure rescue, credit enhancement, loan modification, illegal property flipping, seller assistance, debt elimination, to name a few. These types of fraud hurt homeowners, lenders and the economy of our state and country.

Consumers who are having trouble paying their mortgages or have received foreclosure notices should immediately contact their lenders. Additionally, there are organizations willing to provide advice and assistance to help them avoid foreclosure.

The department provides information on a variety of **FREE** foreclosure prevention resources that are available to distressed homeowners. That information can be accessed at the following website address: <http://finance.idaho.gov>

On the following page is a list of resources and contact information for Idahoans needing foreclosure avoidance assistance. If you feel you may be the target or victim of foreclosure fraud, contact the department at (208) 332-8000 or Idaho toll-free at 1-888-346-3378.

**800 Park Blvd, Suite 200, Boise, ID 83712**  
**Mail Address: P.O. Box 83720, Boise ID 83720-0031**  
**Phone: (208) 332-8000 or Toll Free (in Idaho) (888)346-3378**  
<http://finance.idaho.gov>



# IDAHO

DEPARTMENT OF FINANCE

**C.L. "BUTCH" OTTER**  
Governor

**GAVIN M. GEE**  
Director

## **Idaho Housing and Finance Association**

565 W. Myrtle  
Boise, ID 83702  
Phone: (877) 888-3135  
Fax: (208) 331-4801  
[www.ihfa.org](http://www.ihfa.org)

## **Neighborhood Housing Services, Inc.**

1401 Shoreline Drive  
Boise, ID 83702  
Phone: (208) 343-4065  
Fax: (208) 343-4963  
[www.nhsid.org](http://www.nhsid.org)

## **Pocatello Neighborhood Housing Services, Inc.**

206 N. Arthur  
Pocatello, ID 83204-1146  
Phone: (208) 232-9468, ext. 105  
Fax: (208) 232-9231  
[www.pnhs.org](http://www.pnhs.org)

## **Department of Housing and Urban Development**

Boise Field Office  
800 Park Blvd, Suite 220  
Boise, ID 83712  
Phone: (208) 334-1990  
Fax: (208) 334-9648  
TTY: (208) 334-9094  
[www.hud.gov](http://www.hud.gov)

## **Idaho's Community Action Partnership**

[www.idahocommunityaction.org](http://www.idahocommunityaction.org)

## **Neighborworks — Center for Foreclosure Solutions**

Homeowner's HOPE™ Hotline  
Phone: (888)-995-HOPE  
The HOPE hotline operates 24/7, and provides free, bilingual, personalized assistance to help homeowners avoid foreclosure  
[www.995hope.org](http://www.995hope.org)

## **Federal Reserve System**

[www.federalreserve.gov/consumerinfo](http://www.federalreserve.gov/consumerinfo)

## **Federal Housing Administration Resource Center**

Phone: (800) 225-5342  
[www.fha.gov](http://www.fha.gov)

## **Federal Trade Commission**

Phone: (877) 382-4357  
[www.ftc.gov](http://www.ftc.gov)

## **AARP**

Phone: (888) 687-2277  
[www.aarp.org](http://www.aarp.org)

## **Freddie Mac**

[www.freddiemac.com](http://www.freddiemac.com)

## **National Foundation for Credit Counseling**

[www.debtadvice.org](http://www.debtadvice.org)

## **National Foundation for Debt Management**

Phone: (800) 353-9890  
[www.nfdm.org](http://www.nfdm.org)

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<http://finance.idaho.gov>

**PROTECTING THE INTEGRITY OF IDAHO FINANCIAL MARKETS SINCE 1905**