



NEWS RELEASE

FOR IMMEDIATE RELEASE: December 21, 2011

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Enforcement Agencies Continue To Fight Loan Modification, Mortgage Relief, and Foreclosure Rescue Scams

Consumers warned not to pay upfront fees, and victims urged to file complaints

SACRAMENTO – The California State Department of Real Estate (DRE) and other law enforcement agencies have alerted and continue to warn consumers to be wary of promises for loan modification, mortgage relief, and foreclosure rescue as scammers continue to prey on vulnerable, financially stressed homeowners. The DRE, whose mission is to protect the public interests in real estate matters, continues to file scores of actions against individuals and entities illegally offering loan modification and mortgage relief services. The most typical scam involves the assurance of a loan modification in exchange for an upfront fee (which is illegal under California law), but once the fee is paid, little or nothing is done to obtain a loan modification.

Since 2009, the DRE has filed over 1,100 administrative actions against loan modification scammers. The typical action involves the issuance of a Desist and Refrain Order to an unscrupulous operator ordering the stoppage of illegal activities, including the illegal collection of advance fees. However, in many instances an administrative order is insufficient to stop the illegal activity or the violations are so egregious that harsher action is necessary.

“It is imperative that law enforcement and administrative agencies work together to ensure consumers get the protection they deserve in these tough economic times” stated Barbara Bigby, DRE’s acting Real Estate Commissioner.

In this regard, the DRE commends the recent announcement by the California Attorney General (AG) of the arrests of Christopher Fox and Curtis Melone who operated Green Credit Solutions Inc. Green Credit Solutions Inc. is accused of collecting millions of dollars in illegal advance fees for loan modification services that were not performed. The DRE had previously filed actions against Melone and Green Credit Solutions Inc. that resulted in the surrender of the real estate licenses of Green Credit and Melone. At the conclusion of DRE’s case, the DRE investigators provided support to the AG in connection with their criminal case to ensure these scammers are subjected to more than just an administrative order.

In addition, recent actions taken by the Federal Trade Commission imposing million dollar judgments against Aminullah Sarpas, Damon Carriger and Macie Bain, all of whom had previously been issued Desist and Refrain Orders by the DRE for the illegal collection of advance fees, will help curb future abuses.

While multi-prong attacks and cross jurisdictional cooperation by administrative and law enforcement agencies help to protect consumers, consumer education is the real key to stopping the abuses. The following practical advice can help consumers from falling victim to a scam:

- Never pay an upfront fee for loan modification services. Such fees are illegal.
- Watch out for promises of guaranteed success. No one can promise that a loan modification will be successful.
- Ask questions, get referrals from people you know and trust, and always remember the following: If it seems too good to be true, it probably is not true.



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- Contact a HUD-approved counseling agency that can provide loan modification services for free.
- If you have been a victim of a loan modification scam, report it to the DRE, the FTC and the Attorney General.

For more information about loan modifications and related scams, and other mortgage relief and foreclosure rescue frauds, the DRE and its programs, visit www.dre.ca.gov. For information from the California Attorney General, visit <http://oag.ca.gov>. For information from the FTC, visit <https://www.ftccomplaintassistant.gov/> or call 1-877-FTC-HELP (1-877-382-4357). For HUD-approved counseling agencies, visit www.hud.gov.