



NEWS RELEASE

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California Department of Real Estate Shuts Down Loan Modification Company - *Loan Modification Firm Surrenders License*

SACRAMENTO – Whitfield Financial Services Inc. (Whitfield), which operated a statewide loan modification business, surrendered its real estate license in lieu of defending accusations of violations of the real estate law at an administrative hearing. The license surrender, effective December 21, 2009, effectively puts Whitfield and its designated broker, Raymond Lorenzo Jeter (Jeter), out of business.

The license surrender comes on the heels of an accusation filed against Whitfield and Jeter by the California Department of Real Estate (DRE) accusing the licensees of failing to properly handle trust funds and illegally collecting advance fees in connection with loan modification services. Jeter was also separately accused of failing to exercise proper supervision over the activities of Whitfield. While Jeter admitted no wrongdoing by either himself or Whitfield for purposes outside of the DRE action, he nonetheless surrendered all license rights and can no longer engage in real estate brokerage activity, including loan modifications.

Whitfield and Jeter join a growing number of offenders who have been the subject of actions taken by the DRE involving loan modification complaints. In July 2008, the DRE had fewer than 10 complaints involving loan modification companies. Today the department has over 1300 pending investigations. In addition, since October 2008, the DRE has filed over 440 Desist and Refrain Orders and accusations involving loan modification scams. A list of the actions filed by the DRE may be found at http://www.dre.ca.gov/cons_drs.asp.

“With so many people struggling to stay in their homes, foreclosure rescue and loan modification scams have risen dramatically,” DRE Commissioner Jeff Davi said. “While enforcement efforts are important and we encourage victims to file complaints, consumer education is the key to keep consumers from falling prey to unscrupulous companies. There is no reason a consumer should pay an upfront fee for loan modification services.”

Under a new California law, no person or firm offering residential loan modification assistance can collect upfront fees from borrowers to perform these services. Specifically, the law prohibits any person, including real estate licensees and attorneys, from demanding, claiming, charging, collecting or receiving an upfront fee from a borrower in connection with a promise to modify the borrower’s residential loan or to do some other form of mortgage loan forbearance. The advance fee prohibition for loan modification and forbearance services applies to residential property containing four or fewer dwelling units.

In addition, HUD approved housing counselors can help borrowers’ obtain a loan modification free of charge.

For information about where to find a HUD approved housing counselor and to learn more about DRE and its programs visit www.dre.ca.gov.

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