



**Office of the Mayor
City of Los Angeles**

ANTONIO R. VILLARAIGOSA

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**Contact: Jonathan Powell
(213) 978-0741**

MAYOR VILLARAIGOSA SOUNDS THE ALARM ABOUT LOAN MODIFICATION SCAMS

Mayor and other officials will join banks, non-profits and legal aid groups to warn residents about foreclosure fraud and outline free, reliable resources for preventing foreclosures and renegotiating mortgages

LOS ANGELES – Mayor Antonio Villaraigosa joined Councilmember Richard Alarcon, California Department of Real Estate Commissioner Jeff Davi and representatives from local banks, non-profits and legal aid groups today to warn residents about the growing number of loan modification scams and foreclosure fraud schemes.

“Every responsible borrower deserves the chance to save their homes and salvage as much of their financial foundations as possible, and at this moment of great uncertainty, it is absolutely critical for residents to know that there is something you can do in the face of these scams,” Mayor Villaraigosa said. “Residents should know that we are here to help with open arms, and we are ready to turn the tide against fraud, against abuse, and toward a day of fairness for all homeowners.”

During recent months, foreclosure counseling agencies, financial institutions, law enforcement and regulatory agencies have reported a dramatic increase in the number of individuals falling prey to loan modification scams. Mayor Villaraigosa used this opportunity to highlight the danger of these scams and direct homeowners to free and reliable services available to families facing foreclosure or falling behind on their mortgage payments.

In a typical situation, the perpetrators promise to help a homeowner renegotiate their mortgage and avoid foreclosure in exchange for upfront payment, which is illegal in California unless a firm meets specific license and registration requirements set by the State Department of Real Estate (DRE). Those carrying out these schemes then walk away with the money without following through on their commitment or contacting banks and lenders.

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“While the current has market created some wonderful opportunities for those looking to buy, it has also fostered an environment ripe for abuse,” DRE Commissioner Jeff Davi said. “With so many folks struggling to stay in their homes, foreclosure rescue scams have risen dramatically. The department has had to shift resources to keep up with all the new cases.”

Mayor Villaraigosa and other public and private sector officials outlined a number of options for residents and consumers facing foreclosure or at-risk of becoming victims of these scams. Among the directions and suggestions provided, the Mayor issued the following tips and reminders to the public:

- Homeowners do not have to pay for loan modifications or foreclosure prevention counseling.
- Legal aid groups, financial institutions, and federal Department of Housing and Urban Development-certified counselors are offering free services to anyone seeking help.
- If a homeowner believes he or she has been a victim of a scam, be sure to contact the California Department of Real Estate or the L.A. County Department of Consumer Affairs to report the fraud and learn about options to recover your losses.

AVAILABLE RESOURCES

California Department of Real Estate

The DRE Web site has important information on how consumers can protect themselves against con artists. The Commissioner has encouraged all consumers to log on to DRE’s Web site at http://www.dre.ca.gov/mlb_adv_fees.html to check out anyone wanting an up-front fee in exchange for loan modification help. In general, only licensed real estate brokers and attorneys operating within the scope of their license may collect advance fees. Real estate brokers must have their advance fee agreement reviewed and sanctioned by the DRE prior to its use.

The LA office of DRE can be reached at:

320 W. 4th Street, Suite 350
Los Angeles, CA 90013
(213) 576-6984

LA County Department of Consumer Affairs

The LA County Department of Consumer Affairs’ Real Estate Fraud Division serves as a central reporting agency for real estate fraud complaints in the LA region.

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The department investigates cases involving alleged violations of real estate laws, including foreclosure rescue scams, unlicensed loan-modification businesses, fraud, forgery and misleading advertising. The agency also coordinates efforts with government, law enforcement and private industry to detect and prevent real estate fraud.

The Real Estate Division can be reached at (800) 973-3370. For more information on DCA, go online to dca.lacounty.gov.

HUD-Approved Counseling Agencies

The federal Department of Housing and Urban Development has certified a number of agencies, non-profits and legal aid groups to provide counseling and support to families in distress. The following lists key approved organizations in the LA area:

ACORN HOUSING, LOS ANGELES*

213-748-1345
3655 South Grand Street, Suite 250
Los Angeles, CA 90007
<http://www.acornhousing.org>
lnelson@acornhousing.org

ACORN also offers assistance for illegally evicted tenants through their Tenants Rights Support Center at (213) 747-4211 ext. 226.

BYDESIGN FINANCIAL SOLUTIONS, DBA CCCS OF LOS ANGELES

800-750-2227
6001 E. Washington Blvd., Suite 200
Los Angeles, CA 90040-2922
<http://www.bydesignsolutions.org>
rpittman@bydesignsolutions.org

EAST LOS ANGELES COMMUNITY CORPORATION (ELACC)

323-269-4214 x237
530 S. Boyle Ave.
Los Angeles, CA 90033
<http://www.elacc.org>
arubio@elacc.org

KOREAN CHURCHES FOR COMMUNITY DEVELOPMENT

213-805-4216
3550 Wilshire Blvd., Suite 922
Los Angeles, CA 90010
<http://www.kccd3300.org>
kccdonline@yahoo.com

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LOS ANGELES NEIGHBORHOOD HOUSING SERVICES, INC. (LANHS)

213-381-2862 x112
3926 Wilshire Blvd., Suite 200
Los Angeles, CA 90010
<http://www.lanhs.org>
counseling@lanhs.org

LANHS also offers relocation assistance for homeowners displaced by foreclosures on a regular basis throughout the City. The contact information for these services is the same as the number and website provided above.

NEW ECONOMICS FOR WOMEN

303 S. Loma Dr.
Los Angeles, CA 90017
<http://www.neweconomicsforwomen.org>
homeownership@neworg.us

NID-HCA REEVES

323-299-7900
4602 Crenshaw Blvd.
Los Angeles, CA 90043-1219
<http://www.nidonline.org>
fsico@sbcglobal.net

OPERATION HOPE, INC.

707 Wilshire Blvd., Suite 3030
Los Angeles, CA 90017
<http://www.operationhope.org>
stacy.sanchez@operationhope.org

SHALOM CENTER FOR T.R.E.E. OF LIFE

2975 Wilshire Blvd., Suite 415
Los Angeles, CA 90010
jleeshalom@sbcglobal.net

WATTS CENTURY LATINO ORG

10360 Wilmington Ave.
Los Angeles, CA 90002
wclo@sbcglobal.net

WEST ANGELES COMMUNITY DEVELOPMENT CORP

6028 Crenshaw Blvd.
Los Angeles, CA 90043
phebert@westangelescdc.org

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