



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

CONSUMER ALERT

For Immediate Release

August 30, 2011

Department of Finance Warns of Mortgage Modification Scam Targeting Spanish Speaking Idahoans

Boise, Idaho . . . Gavin Gee, director of the Idaho Department of Finance, today warned that a company calling itself Freedom Companies Marketing, Inc., Freedom Companies, Inc., Freedom Companies Lending, and Freedom Financial Mortgage (Freedom) has been targeting Spanish speaking Idaho homeowners with false promises of a government-guaranteed mortgage loan modification for a large upfront fee.

The company promises homeowners lower monthly mortgage payments, but Gee says Idaho homeowners who succumbed to the up-front payment scam received nothing but empty promises for an unlawful upfront fee of \$1,995. "This company, using the term 'Freedom' in its name, asks homeowners for private financial information, charges an unlawful upfront fee, and then leaves already distressed homeowners worse off than they were before. That's not 'Freedom;' that's a scam," Gee warned.

He said homeowners trying to avoid foreclosure continue to fall prey to upfront-fee loan modification scams. "Some of the offending companies purport to be law firms or imply representation by attorneys to lower mortgage payments. These offers can be tempting to distressed homeowners seeking relief, but all too often they end up being nothing more than empty promises."

"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. Other than third-party charges or charges approved by the department, Idaho law prohibits the charging of upfront fees prior to completion of a mortgage modification.

Gee advised Idaho homeowners considering doing business with a mortgage modification company to make certain the loan modification company is licensed with the Department of Finance. Licensed companies are listed on the department's website at <http://finance.idaho.gov>.

Homeowners who feel they may be the target or victim of mortgage loan modification fraud are encouraged to contact the department at (208) 332-8002 or Idaho toll-free at 1-888-346-3378.

◆◆◆

Department of Finance Press Releases and other information can be found on the Internet at <http://finance.idaho.gov> and may be obtained by contacting the department at (208) 332-8004 or Idaho toll-free at 1-888-346-3378.