



NEWS RELEASE

FOR IMMEDIATE RELEASE: October 1, 2009

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California Real Estate Commissioner to Address Licensees at Forum *DRE to Discuss Industry Trends, Scams*

SACRAMENTO – The California Department of Real Estate (DRE), the state department that issues licenses to real estate professionals and protects consumers with respect to real estate transactions, will be holding a forum for real estate licensees on October 7 at 2:00 p.m. at the San Jose Convention Center to discuss industry trends, consumer scams and licensing violations that have emerged due to the current real estate economic environment.

Real Estate Commissioner Jeff Davi will preside over the Forum, which will be held in conjunction with the California Association of Realtors® convention. Davi will be providing crucial information on how consumers can protect themselves against loan recue scams. The Commissioner will also be presenting an overview of the Department and what it is doing to educate consumers and combat fraud.

"The economic downturn coupled with the unprecedented number of foreclosures has created a rich environment for scammers who have come up with a variety of schemes to take advantage of desperate and financially stressed homeowners," Davi said. "Not only must we take aggressive regulatory action against these con artists but we must educate and provide homeowners with the tools they need to protect themselves against scammers who charge thousands of dollars in upfront fees and deliver nothing in return."

Loan modification scams are particularly worrisome and are plaguing California as well as the nation. In June of 2008, DRE had fewer than 20 cases involving loan modification complaints. Today, it has over a thousand. Since October of 2008, the DRE has issued Accusations and Desist and Refrain Orders to over 350 respondents involving loan modification violations and the number continues to grow on a weekly basis.

The DRE has posted important consumer information on its website on how consumers can protect themselves against loan modification scams. The DRE also posts all Accusations and Desist and Refrain Orders on its web site to make it easier for consumers to avoid the bad actors.

http://www.dre.ca.gov/cons_drs.asp

At the forum, Commissioner Davi will discuss the changing market and the Department's role in protecting consumers in real estate transactions and will be available to answer questions. The educational forum will also feature speakers from the DRE's executive staff.

DRE's RECENT ACTIONS TO STOP MORTGAGE FRAUD:

- DRE has partnered with the California Attorney General and the State Bar of California to combat loan modification and foreclosure fraud across the state.

-Created an internal task force to effectively and efficiently address the growing problem of loan modification scams.



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- Last fiscal year DRE initiated over 1,000 investigations involving loan modification complaints.
 - Since October of 2008, DRE has issued Accusations and Desist and Refrain Orders to over 350 respondents involving loan modification violations.
 - Posts all Accusations and Desist and Refrain Orders on its web site to make it easier for consumers to avoid the bad actors. http://www.dre.ca.gov/cons_drs.asp
 - Published a consumer alert in both English and Spanish that provides homeowners tips to avoid loan modification fraud, allows them to determine if a company is registered with his office and makes it easier to file complaints. http://www.dre.ca.gov/pdf_docs/FraudWarningsCaDRE03_2009.pdf
http://www.dre.ca.gov/pdf_docs/FraudWarningsCaDRE03_2009_SP.pdf
 - Created PSAs to warn consumers of scams. http://www.dre.ca.gov/pre_psa.html
 - Updated its Homepage to allow consumers to easily obtain crucial information on how to avoid loan rescue scams. <http://www.dre.ca.gov/index.html>
 - Unveiled an expanded Spanish Language web page (<http://www.dre.ca.gov/espanol.html>) to make it easier for Spanish speaking consumers to get information to protect themselves against scams and how to file a complaint with the DRE.

5 Tips to Avoid Being Scammed

1. Up-front fees can be a sign of a scam. Real estate brokers are prohibited from collecting advance fees after a notice of default is filed. Free alternatives are available through HUD approved housing counselors. Call 1-888-995-HOPE for a counselor in your area or visit: <http://www.995hope.org>
2. Don't ignore letters from your lender or loan servicer. Responding to those letters is your best bet for saving your house.
3. Don't transfer title or sell your house to a "foreclosure rescuer." Beware! This is a scam to convince homeowners they can stay in the home as renters and buy their home back later. It might also be part of a fraudulent bankruptcy filing. Either way, a scammer can then evict the victim and take the home.
4. Don't pay your mortgage payments to anyone other than your lender or loan servicer. Mortgage consultants often keep the money for themselves.



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5. Never sign any documents without reading them first. Many homeowners think that they are signing documents for a loan modification or for a new loan to pay off the mortgage they are behind on. Later, they discover that they actually transferred ownership of their home to someone who is now trying to evict them.

For more information about DRE and its programs visit www.dre.ca.gov.

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