



NEWS RELEASE

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CONTACT: Tom Pool (916) 227-0772

Department of Real Estate Launches Spanish Language PSA to Protect Consumers Against Mortgage Fraud

SACRAMENTO – The California State Department of Real Estate (DRE), the state department that issues licenses to real estate professionals and protects consumers in real estate transactions, has intensified its efforts to ensure all consumers receive the protection they deserve. Previously, the DRE launched an English Public Service Announcement (PSA) campaign warning consumers of loan fraud. Now the DRE has launched a Spanish Language PSA and expanded its Spanish language Website to educate consumers on how to avoid falling victim to a loan scam.

“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,” Real Estate Commissioner Jeff Davi said. “Not only must we take aggressive regulatory action against these con artists but we must educate and provide homeowners with the necessary tools to protect themselves against scammers who have charged thousands of dollars in upfront fees and deliver nothing in return.”

Loan modification scams are particularly worrisome and are plaguing California, as well as many other States. In June 2008, the DRE had fewer than 20 cases involving loan modification complaints. Today, it has over 1,300. Since October 2008, the DRE has issued Accusations and Desist and Refrain Orders to nearly 400 respondents involving loan modification violations, and the numbers of victims and regulatory actions grow weekly.

Of the many steps the DRE has taken in its aggressive approach to reach out to all consumers in California is the unveiling of a PSA in Spanish. The DRE produced a PSA in Spanish which has been posted on its Web site, http://www.dre.ca.gov/media/DRE_Span_PSA.wmv. In addition, the DRE provided technical assistance in the production of an English and Spanish version of a PSA with appearances by the Attorney General, Tony Plana and Ruth Livier, <http://www.dre.ca.gov/media/advertencia.wmv>. Consumers need to be skeptical if they are asked to pay an upfront fee for loan modification services. On October 11, 2009, Governor Schwarzenegger signed Senate Bill 94 (Calderon), which precludes any person, including real estate licensees and attorneys, from collecting advance fees for home loan modification services. [http://www.dre.ca.gov/pdf_docs/SB94WebAnnouncement\(brokers\).pdf](http://www.dre.ca.gov/pdf_docs/SB94WebAnnouncement(brokers).pdf).

To further the Department’s efforts to protect consumers, Commissioner Davi recently appointed Joe Carrillo as the DRE’s Law Enforcement Coordinator to help ensure that all levels of law enforcement are informed of the administrative actions taken by the DRE and coordinate the filing of civil or criminal actions where appropriate. Moreover, to allow consumers a one-stop-shop for information, the DRE’s Los Angeles Enforcement Office has been reorganized to include a multicultural information section. Consumers can now call (213) 576-6878 to speak to a representative in Spanish to file complaints or request information on foreclosure prevention, and can log on to a newly reorganized Spanish language web page at <http://www.dre.ca.gov/espanol.html>.

“Because some of our most at-risk consumers come from non-English speaking backgrounds, the DRE is committed to reach out to them, and encourage them to file complaints if they have been victims of foreclosure fraud,” Davi says. “We are here to help, and we urge them to log on, look’em up, and check’em out at www.dre.ca.gov.”

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

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