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## FTC Takes Action on Fraudulent Mortgage Relief Companies

Every cent counts these days. And it is no wonder that scam programs are on the rise, including many so-called mortgage relief companies that promise to reduce your mortgage but deliver nothing. Of late the FTC has taken action on several fraudulent mortgage relief companies.

It is rather common for innocent homeowners looking for mortgage relief to fall for such companies, which is why the FTC has been stepping up their surveillance of these fraudulent schemes. Thus far, the FTC has shut down 85 companies that had been advertising their services online through Google advertising. The giant search engine company has also suspended the accounts of the companies concerned and has been cooperating with government efforts to fight this type of fraud. The FTC said they will continue to monitor Google's efforts in being more vigilant in vetting through advertising campaigns from companies.

Meanwhile, the FTC has also put a stop to three fraudulent schemes run by companies that promised mortgage and debt relief services. The operators of the three schemes are ordered to:

- stop marketing any mortgage assistance relief product or service
- cease giving a wrong impression of the terms or rates of financial products and misrepresent the potential to improve the credit history of any debtor or their ability to obtain credit
- refrain from promoting the benefits of financial products without credible and concrete proof of such benefits;
- avoid misrepresenting any goods or service, including saying they have an affiliation with any government entity or program

In addition, they are also ordered to protect and properly dispose of customer personal information. The first of the fraudulent schemes was run by Truman Foreclosure Assistance LLC, a Florida company who allegedly promoted bogus mortgage modification and foreclosure rescue services. According to the FTC's allegation, Truman officials charged fees ranging from \$1,500 to \$3,000 per customer and falsely claimed that they could get their customers' mortgages modified or prevent foreclosure of their houses.

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The company also offered a 100% money back guarantee and boasted a 90% success rate.

But after collecting the fees, the company did not perform as promised. In many cases, they did not even contact the customers' lenders, and did not keep their customers informed of progress. It came as no surprise that the company did not honor their money back guarantee to customers who did not get their mortgages modified.

The operators behind Truman were Eli Hertz, Benzion Jack Itzkowitz, and Richard Zafrani, along with several other defendants. They were ordered to destroy all personal information like Social Security numbers and bank account details of their customers.

The second scheme involved several websites run by two companies Dominant Leads LLC and MAD TJ Holdings LLC and two individuals, James Rambadt (also known as James Kane) and Thomas Hayes, who advertised mortgage help and debt relief services. The websites were fedmortgageloans.com and fedhomeaffordableplan.com among others.

The perpetrators fraudulently promoted themselves as being affiliated to the federal or state government, and told consumers they were eligible for a federal or state government loan modification or debt relief program. The websites contained official government agency logos and links to the websites of federal government agencies such as HUD, the Treasury Department, and the White House.

The final fraudulent scheme also involved websites run by several individuals that duplicated the government's makinghomeaffordable.gov website. The bona fide website is about the government's program that enables eligible homeowners to refinance or modify their mortgages. The FTC has dealt with all the perpetrators of the fraud except the final one named Scott Lady.

When consumers search for the government's Making Home Affordable program online, they are sent to the bogus website that promoted mortgage loan modifications with claims such as "Instantly Stop Foreclosure," and "Guaranteed Solutions to Lower Your Rate Today". The websites also collected the consumers' personal details that Lady would sell to third parties.