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DCBS takes action against Ashland company for illegal loan modification activity

Company charged excessive fees, failed to register with the state

(Salem) — The Department of Consumer and Business Services has fined David Richard Lies and his company Home Rescue Financial Services LLC of Ashland \$30,000 and ordered him to cease and desist violating Oregon's laws related to loan modifications.

Home Rescue collected \$1,500 from a homeowner with the promise of helping stop a foreclosure and obtain a loan modification, but never delivered on those services. Oregon law allows a maximum upfront fee of \$50 for loan modifications or any other debt-management service. Companies providing those services also must be registered with DCBS as a debt management company or licensed as a mortgage broker – Home Rescue held neither registration or license.

“Oregon has strong laws to protect the large number of Oregonians who are currently struggling with debt and facing foreclosure,” said David Tatman, administrator of the department's Division of Finance and Corporate Securities, which regulates debt-management companies and mortgage brokers. “We will continue to aggressively pursue those who aim to take advantage of consumers with financial challenges.”

Home Rescue violated several other parts of the law, including failing to disclose terms of the contract and fees, failing to provide the homeowner with an analysis showing how its services would be beneficial, and relaying misleading information in an advertisement.

The requirements are part of House Bill 2191, which protects consumers from debt reduction and loan modification scams. Since the law took effect in 2010, DCBS has received more than 200 complaints and obtained about \$51,000 in refunds for consumers who have been overcharged or paid for services they never received. DCBS has 88 investigations under way regarding potential violations of the law.

DCBS has developed consumer information, available online at http://www.cbs.state.or.us/dfcs/debt_mgmt/faq_consumers.html, to help Oregonians understand their rights under House Bill 2191 and to check to see whether a company is registered. Consumers can also call the department toll-free at 1-866-814-9710.

“Consumers seeking help with debt or their mortgage should always check and make sure a company is legitimate before doing business with them,” Tatman said.

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The Department of Consumer and Business Services is Oregon's largest business regulatory and consumer protection agency. For more information, go to www.dcbs.oregon.gov.