



IDAHO
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NEWS RELEASE

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Attorney General and Department of Finance Director encourage caution when applying for a loan

(Boise) - Attorney General Lawrence Wasden and Department of Finance Director Gavin Gee urge Idahoans to use caution this holiday season in seeking loans from non-traditional lenders. Wasden and Gee said that many non-traditional loans are scams, involving large upfront fees for a loan the consumer never receives.

Typically, these lenders advertise in local and free newspapers. The advertisements generally appeal to consumers with poor credit histories, low credit scores, bankruptcies, and other impediments to qualifying for loans from traditional lenders.

"The Attorney General's Office and the Idaho Department of Finance have received numerous complaints in recent years from consumers who lost money to unscrupulous and phony lenders, many located in Canada and other foreign countries," Attorney General Wasden said. "Once a consumer sends money out of the United States, it is virtually impossible for our offices to trace or retrieve it."

Idaho consumers have complained that they are told they qualify for a loan but are asked to wire or send money by courier to pay for "insurance" on the loan, "border taxes," "security deposits," or other advance fees. Often, a consumer tricked into paying once will be told to send more money for additional "fees."

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PROTECTING THE INTEGRITY OF IDAHO FINANCIAL MARKETS

“These ‘advance fee loan’ offers are almost always empty promises,” Finance Director Gee said. “The complaints filed with our offices indicate that these loans are never funded.”

Attorney General Wasden and Finance Director Gee urge Idahoans to take these steps to protect against advance fee loan scams:

- Know your lender: Determine if the lender you are working with is licensed by the Idaho Department of Finance. To do this, call the department at 208-332-8000, or toll-free in Idaho at 1-888-346-3378, or access the department’s online database of licensees at <http://finance.idaho.gov>.
- Know Idaho law: While some exemptions apply, it is generally illegal for loan brokers to require advance loan fees for any reason.
- Do NOT send money, especially out of the country, in response to a loan advertisement, unless you have thoroughly investigated the lender. It is unlikely people with impaired credit will qualify for loans from legitimate sources outside of the United States if they are unable to qualify inside the United States.
- Help us to help you: If you learn of an unlicensed lender that is advertising loans in Idaho, report it to the Idaho Department of Finance at 208-332-8000, or toll-free in Idaho at 1-888-346-3378. Be prepared to identify when and in what publication the advertisement was printed and to share any additional information you may have.
- If you believe you have lost money in an advance fee scheme, file a complaint with the Attorney General’s Consumer Protection Unit. You can print a complaint form from the Attorney General’s website, www.ag.idaho.gov or request a complaint form by calling 208-334-2424 or, toll-free in Idaho, 1-800-432-3545.

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Department of Finance Press Releases and other information can be found on the Internet via the worldwide web at <http://finance.idaho.gov> and may be obtained by contacting the Department at (208) 332-8080 or Idaho toll-free at 1-888-346-3378.