



NEWS RELEASE

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IDAHO DEPARTMENT OF FINANCE JOINS FTC IN CRACKDOWN ON BOGUS CREDIT REPAIR OFFERS

(Boise) – Gavin Gee, director of the Idaho Department of Finance, announced today that for the past several months the department has participated with the Federal Trade Commission (FTC) and 22 other states in “Operation Clean Sweep” directed at companies offering or engaging in unlawful credit repair practices.

Organized by the FTC, “Operation Clean Sweep” involved the FTC and 25 state law enforcement agencies in 23 states, including Idaho. Together, the FTC and participating states took actions against 36 companies for violations of the Credit Repair Organizations Act (CROA) and state laws, all of which were announced today at FTC Headquarters in Washington D.C.

In the course of “Operation Clean Sweep” the Idaho Department of Finance issued Cease and Desist Orders against Stephen White, dba American Credit in Redding, CA, and Financial Freedom Resources, Inc operating from Clearwater, FL. Both organizations collected fees for credit repair services before the services were provided – a violation of federal and state law. In addition, neither company was properly licensed to conduct credit repair activities in Idaho.

Gee said that consumers with negative, yet accurate, information on their credit reports are often enticed to enroll in credit repair programs with the promise that such information will be removed, their credit scores will improve, and as a result they will have greater access to credit, and at lower interest rates. “The simple truth is that no one can legally remove accurate negative information from a credit report,” said Gee. “These companies are also prohibited by state and federal law from charging upfront fees for credit repair services.”

Gee reminded Idaho consumers that the offering of credit repair services in Idaho requires a license. Gee recommended that consumers visit the FTC website at www.ftc.gov under the “Consumer Information” tab for valuable information about credit repair. “Consumers will find self-help tools on the FTC website,” said Gee. “Idaho consumers need to understand that whatever a credit repair organization offers to do for a fee, consumers can do themselves for free.”

Before contracting for credit repair services consumers should consider:

- Is the organization properly licensed in Idaho? (*consumers may search license status at: <http://finance.idaho.gov>*)
- Are promises made that negative information will be removed from my credit report?
- Are fees required before my credit score is improved?
- Is any service being offered that I cannot do for myself?

If the answer to any of these points is adverse, consumers are advised to avoid the service altogether and to report the activity to the Department at (208) 332-8000 OR Idaho toll-free at 1-888-346-3378.