



Contact:

**Michael Larsen, Bureau Chief
Consumer Finance Bureau
(208) 332-8060**

NEWS RELEASE

FOR IMMEDIATE RELEASE

May 1, 2008

**MORTGAGE COMPANY ORDERED TO CEASE
DECEPTIVE SOLICITATIONS**

Gavin Gee, director of the Idaho Department of Finance, announced today that the department has ordered a Colorado-based mortgage lender to stop sending "bait-and-switch" mailers to Idaho residents.

The Order to Cease and Desist alleges that Assurity Financial Services, LLC, sent mailers to Idaho residents entitled "Refund Notice," suggesting that recipients' current adjustable-rate mortgage may have been the subject of errors in principal and interest calculations. The mailer indicates that "A Refund Audit Specialist will be able to help you determine your correct principal and interest payment and assist you in collecting any refund that you may be legally entitled to." In fine print at the bottom of the document, the homeowner is informed that their consultation may include a solicitation for a home loan.

Assurity does not appear to possess any specific information suggesting that those homeowners receiving the "Refund Notice" did in fact have errors in their principal and interest calculations. Consumers responding to Assurity's "Refund Notice" report that they were advised to refinance their mortgage through Assurity Financial.

"This is a classic bait and switch," Gee said. "This marketing ploy takes advantage of the fact that when lenders record certain mortgage loan documents with the county, they become public records. Mailings are then targeted to homeowners and contain just enough correct information to mislead a consumer into thinking the sender actually is knowledgeable about the consumer's loan. In this case, if the consumer takes the refund 'bait' and calls, they are 'switched' to a solicitation to refinance their mortgage with Assurity."

The Department determined that the mortgage loan solicitations were misleading and deceptive and in violation of the Idaho Residential Mortgage Practices Act. The order directs Assurity Financial to cease violating the Idaho law and cease engaging in advertising that is misleading, confusing, false and deceptive.

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) 332-8000 or Idaho toll-free at 1-888-346-3378.