



IDAHO
DEPARTMENT OF FINANCE

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CONSUMER ALERT

FOR IMMEDIATE RELEASE

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Beware of Unlicensed Mortgage Loan Modification Specialists

(Boise) – Gavin Gee, director of the Idaho Department of Finance, warned consumers and industry members today that so-called *mortgage loan modification specialists* are really *credit counselors* under Idaho law, and are required to obtain a license from the department before doing business in Idaho.

Gee said that *mortgage loan modification specialists* are soliciting homeowners in Idaho with promises of relief on their mortgage payments. “We are receiving an increasing number of inquiries from struggling homeowners about such offers,” said Gee.

“Idaho homeowners are being pitched by so-called *loan modification specialists* to sign up for services homeowners could do themselves,” said Gee. “And we’re receiving reports that homeowners are paying hefty nonrefundable fees for promised services with no assurance of real financial relief.”

Gee said that current economic conditions and mortgage payment increases can place considerable financial stress upon borrowers, “which may make them vulnerable to dubious offers of assistance from third parties.” Homeowners should educate themselves on the characteristics of their mortgage and budget for any increased payments. Idaho homeowners facing challenges paying their mortgages should communicate directly with their lenders or servicers regarding possible solutions.

If homeowners do turn to a private for-profit *mortgage loan modification specialist* they should check to see that the individual or company offering the services is properly licensed as a credit counselor with the Idaho Department of Finance. Consumers may contact the Department of Finance online at <http://finance.idaho.gov>, by telephone at (208) 332-8000, or in Idaho toll-free at 1-888-346-3378.

As an alternative, Gee encouraged struggling Idaho homeowners to consider taking advantage of **FREE** housing counseling programs, such as that offered by the Idaho Housing and Finance Association (IHFA) as described on IHFA’s website at <http://www.housingcounselingidaho.com> or for more information contact IHFA toll-free at 1-877-888-3135. Homeowners can participate in IHFA’s free housing counseling program even if they do not have an IHFA loan. Additional links to free housing counseling agencies and foreclosure prevention resources can also be found on the Department’s website at: <http://finance.idaho.gov/Mortgage/ForeclosureResources.aspx>.

Gee said that qualified housing counselors can assist Idaho homeowners identify resources for housing problems. “It is important that homeowners contact their lenders, servicers, or a qualified housing counselor as soon as they suspect they may have trouble making their mortgage payments.”

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.