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EARLELAW NEWSLETTER

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California Department of Real Estate Issues Fraud Warning

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The California Association of Realtors (CAR) recently reported that the California Department of Real Estate (DRE) recently issued a fraud warning alerting consumers about loan modification scams and informing consumers of what they can do to protect themselves. According to CAR, as of July 2008, the DRE had fewer than 10 complaints involving loan modification companies; today the DRE has 750 pending investigations. In addition, since October 2008, the DRE has filed more than 200 Desist and Refrain Orders. A list of the companies and persons the DRE has filed an action against can be viewed at http://www.dre.ca.gov/cons_drs.asp.

It is worth noting that not all firms who collect advance fees for loan modification services do so illegally, the DRE said. In general, only licensed real estate brokers and attorneys operating within the scope of their license may collect advance fees. Real estate brokers must have their advance fee agreement reviewed by the DRE prior to its use to ensure it is compliant with real estate law.

CAR reported that it also has learned of what appears to be a loan modification assistance program and lead generator, from a company using the legislative bill number 3648, that looks as if it is a government entity, complete with a misleading seal closely resembling a governmental seal but that is not affiliated with the government.

Please contact Earle Law Offices today if you have been a victim of real estate or mortgage fraud.

Earle Law Offices provides trial and appellate litigation, as well as non-litigation, legal services in the areas of business law, family law, real estate law, tax law, and trusts and estates.

* Mr. Earle is licensed to practice law in all California state trial and appellate courts, the United States Supreme Court, the United States Court of Appeals for the Fourth and Ninth Circuits, federal trial courts in the Northern District of California, and the United States Tax Court. He has also served as a Judge Pro Tempore for the Santa Clara Superior Court. In addition to practicing law, Mr. Earle is also a licensed Real Estate Broker.

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