



San Diego City Attorney Jan I. Goldsmith

NEWS RELEASE

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CITY ATTORNEY'S OFFICE AWARDED STATE GRANT FOR LOAN MODIFICATION & FORECLOSURE SCAMS INVESTIGATOR

San Diego, CA: The San Diego City Attorney's Office was awarded almost \$57,000 in grant funding to hire an investigator solely to investigate cases involving loan modification and foreclosure consultant businesses that take advance fees, which is in violation of California law. The grant, administered by the Cal. Attorney General, was awarded from their foreclosure crisis recovery fund.

The City Attorney's Office will be able to hire an investigator half-time to work for the [Consumer & Environmental Protection Unit](#) (CEPU) to address an increase in crimes against homeowners who face losing their homes due to the recent collapse of the housing market.

"Violators must be stopped before they take large amounts of money from victims or waste critical months of homeowners' time with false promises and representations." said [City Attorney Jan Goldsmith](#). "By proactively pursuing these bad actors at the beginning of their business dealings with misdemeanor prosecution, we can save many potential victims a lot of heartache."

"We believe there are many more violators who are not currently being detected." said [Assistant City Attorney Tricia Pummill](#). "We expect that having an investigator working on nothing but these types of complaints will result in the filing of many more criminal complaints."

Civil Code § 2944.7 prohibits a person who offers to negotiate loan modifications from taking an advance fee for the services. Civil Code § 2945.1 et. seq. provides that foreclosure consultants must comply with a series of requirements including not accepting an advance fee. Violations of these laws are misdemeanors.

The City Attorney's Office has maintained a CEPU for over thirty years. The Unit is staffed with four attorneys, two investigators and support staff who devote their full-time to consumer and environmental protection cases. The other duties of the CEPU are to investigate and prosecute false advertising, unfair business practice, theft, environmental and unlicensed activity cases. To report fraud, waste or abuse, please contact our hotline at (619) 533-5600.

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