



FTC Charges Mortgage Relief Operation with Deceiving Distressed Homeowners

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FOR RELEASE

As part of the Federal Trade Commission's continuing crackdown on scams that target homeowners behind in their mortgage payments or facing foreclosure, the FTC has charged a national operation with marketing bogus loan modification services. The FTC seeks to stop the illegal practices and make the defendants pay refunds to consumers.

According to the FTC's complaint, the defendants target financially distressed consumers using direct mail, the Internet, and telemarketing, and falsely promise they will get loan modifications to make consumers' mortgages much more affordable, or fully refund their money if they fail. They make these promises even to homeowners whose lenders have denied them modifications or who have been sent foreclosure notices. The defendants charge up to \$2,600 for their supposed services and typically ask for half of the fee up-front, claiming a success rate of up to 100 percent.

As alleged in the complaint, the defendants claim expertise that enables them to prevent foreclosure, and often mislead consumers to believe they are affiliated with, or approved by, consumers' lenders. They tell consumers not to contact their lenders and to stop making mortgage payments, claiming that falling behind on payments will demonstrate the consumers' hardship to lenders.

U.S. Mortgage Funding Inc., Debt Remedy Partners Inc., Lower My Debts.com LLC, David Mahler, Jamen Lachs, and John Incandela, Jr., also known as Jonathan Incandela, Jr., allegedly violated the FTC Act and the FTC's Telemarketing Sales Rule by falsely claiming they would obtain mortgage modifications that would make consumers' loan payments substantially more affordable. They also allegedly misrepresented affiliation with, or approval by, consumers' lenders, and falsely claimed they would fully refund consumers' money if they failed to deliver promised services. In addition, the defendants allegedly violated the Rule by calling numbers listed on the National Do Not Call Registry, and not paying the required annual fee for accessing numbers on the Registry.

The FTC recently issued the [Mortgage Assistance Relief Services Rule](#), which bans providers of mortgage foreclosure rescue and loan modification services from collecting fees until homeowners have a written offer from their lender or servicer that they decide is acceptable. Because the defendants' ads predated the Rule, the FTC did not allege any violations of the Rule in this case.

The Commission vote to file the complaint was 5-0. The complaint was filed in the U.S. District Court for the Southern District of Florida.

Click [here](#) for facts about how consumers can help save their home from foreclosure and avoid scams

NOTE: The Commission files a complaint when it has "reason to believe" that the law has been or is being violated, and it appears to the Commission that a proceeding is in the public interest. A complaint is not a finding or ruling that the defendants have actually violated the law.

The Federal Trade Commission works for consumers to prevent fraudulent, deceptive, and unfair business practices and to provide information to help spot, stop, and avoid them. To file a complaint in English or Spanish, visit the FTC's online [Complaint Assistant](#) or call 1-877-FTC-HELP (1-877-382-4357). The FTC enters complaints into Consumer Sentinel, a secure, online database available to more than 1,800 civil and criminal law enforcement agencies in the U.S. and abroad. The FTC's Web site provides free information on a variety of [consumer topics](#). "Like" the FTC on [Facebook](#) and "follow" us on [Twitter](#).

(U.S. Mortgage Funding)

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Contact Information

MEDIA CONTACT:

Frank Dorman,
Office of Public Affairs
202-326-2674



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