



California Bureau of Real Estate

**** CONSUMER ALERT ****

Important Notice and Update to Consumer Alert

(First issued 3/2009)

ADVANCE FEES FOR LOAN MODIFICATIONS ARE NOW ILLEGAL IN CALIFORNIA

It is illegal in California for lawyers to demand, charge or collect any advance, up-front or retainer fees or any other type of pre-payment compensation for loan modification work or services, or any other form of mortgage loan forbearance.

Pursuant to Senate Bill 94, as of October 11, 2009 it is illegal in California for any person, **including lawyers**, real estate brokers, real estate salespersons, corporations, companies, partnerships, or any other licensed or unlicensed person or party, to demand, charge, or collect any advance, up-front, or retainer fees, or any other type of pre-payment compensation, for loan modification work or services, or any other form of mortgage loan forbearance.

So if someone tells you that they can (i) help you modify or renegotiate your home loan, (ii) help you arrange to have your lender refrain from collecting your mortgage payments, and/or (iii) help you convince your lender to abstain from foreclosing on your home, **and they ask you for, charge or collect money or fees up front**, that is a violation of California law.

If you are interested in the details of the law change, a copy of Senate Bill 94 (Calderon) may be obtained at www.legalinfo.ca.gov and clicking on "Bill Information".

Please report all violations of the new law to the California Attorney General, and to the California Department of Real Estate. If a lawyer is involved, or if a company or entity claims to be attorney-backed or attorney-affiliated, also report those violations to the California State Bar.

IMPORTANT CONTACT INFORMATION:

The California Attorney General	www.ag.ca.gov/consumers
The California Bureau of Real Estate	www.dre.ca.gov/consumers/filecomplaint.html
The California State Bar	www.calbar.ca.gov

Get FREE No-Obligation Help Now:

WADE WRIGHT

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