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Attorney General Martha Coakley Obtains Preliminary Injunction Against Wyoming and Florida Companies and Florida man for Soliciting Unlawful Fees From Homeowners Facing Foreclosure

BOSTON – Attorney General Martha Coakley’s Office obtained a preliminary injunction against defendants H.O.P.E. Alliance, Inc., (H.O.P.E. Alliance), Law & Associates, LLC and Thomas E. Law, II. The preliminary injunction, signed yesterday by Suffolk Superior Court Judge Christopher Muse, prohibits the defendants from publishing advertisements concerning foreclosure-related services, contacting Massachusetts consumers regarding foreclosures or mortgages, and taking and/or soliciting advance fees from consumers. The preliminary injunction follows a temporary restraining order granted against the defendants last week.

In a complaint filed June 10, 2009, in Suffolk Superior Court, the Attorney General’s Office alleges that the defendants collectively solicited unlawful advance fees for foreclosure-related services, and unnecessarily delayed negotiations regarding loan modifications, thereby pushing homeowners further into debt. The complaint also alleges that H.O.P.E. Alliance, with the help of co-defendants Law & Associates, LLC, and Thomas E. Law, II, solicited homeowners facing foreclosure by sending letters that directed them to a toll-free number and to the website www.helpnowalliance.org. The website states that it is an alliance of nonprofit organizations and housing counselors that can assist homeowners in obtaining a loan modification or stopping foreclosure. The website also states that it is a 501 (c) (3) non-profit organization. H.O.P.E. Alliance is not registered with the IRS or the Attorney General’s Office as a non-profit. The Attorney General’s complaint also asserts that in its letter to homeowners, H.O.P.E. Alliance deceptively used a similar name to the government-sponsored non-profit organization, HOPE NOW Alliance. During telephone calls with consumers, defendants unlawfully solicited an advance fee by asking for a “donation” before providing any foreclosure-related services to homeowners. Defendants promised to obtain loan modifications for consumers, and then after months of delay either failed to provide any services or only provided inadequate assistance to homeowners.

Earlier this year, the Attorney General’s Office brought two similar cases alleging foreclosure rescue scams. In April, the office [entered into](#) a stipulated preliminary injunction with three defendants for their alleged inappropriate business practices in offering loan modification assistance. Under the terms of the order, Loan Modification Group Corporation, Mitigation LLC, and the companies’ principal, Daniel H. Fox were required to place \$50,000 into an escrow account to be used to satisfy any judgment that the Attorney General may receive against them. Additionally, the defendants were required to cease collecting up-front fees. In April, the office [obtained a judgment](#) against Express Modifications (d/b/a Loan Mods by Lawyers) for deceptively advertising foreclosure relief services and soliciting illegal advance fees. The defendant in that case paid \$7,300 in restitution to consumers, and \$25,000 in civil penalties.

The Attorney General’s Office also launched a campaign to educate the public about these scams. The Attorney General’s Office has produced two public service announcements (PSAs) for television about loan modifications and foreclosure assistance scams. These PSAs are available to public access stations across the Commonwealth via the [Mass Access server](#). Earlier this month, the Attorney General’s Office also issued a [consumer advisory](#) warning about foreclosure assistance scams.

The Attorney General’s Office encourages homeowners having difficulty paying their mortgages on time because of rising interest rates to speak directly with their lenders or servicers about the prospects of obtaining a loan modification to an affordable payment. Homeowners can also seek free assistance from non-profit organizations in their community that are experienced in advocating on behalf of borrowers. Attorney General Coakley has repeatedly advocated that lenders consider loss mitigation measures such as loan modifications as an alternative to foreclosure which benefits both the borrower and the lender.

For more information about foreclosure prevention efforts in the Commonwealth and available counseling resources, homeowners can visit the [Attorney General's website](#).

Assistant Attorney General Emily Armstrong of Attorney General Coakley's Consumer Protection Division is handling this matter, with assistance from Investigator William Mackay.

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