

FILED

2018 APR 12 PM 3:13

CLERK U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
SANTA ANA

BY LAW

1 ALDEN F. ABBOTT, Acting General Counsel  
 2 ELSIE KAPPLER, *pro hac vice*  
 3 ekappler@ftc.gov  
 4 SANGJOON HAN, *pro hac vice*  
 5 shan@ftc.gov  
 6 FEDERAL TRADE COMMISSION  
 7 600 Pennsylvania Ave. NW, CC-9528  
 8 Washington, DC 20580  
 9 Tel: (202) 326-2466, -2495; Fax: (202) 326-3197  
 10 BARBARA CHUN, Local Counsel, Cal. Bar No. 186907  
 11 bchun@ftc.gov  
 12 FEDERAL TRADE COMMISSION  
 13 10990 Wilshire Blvd. Suite 400  
 14 Los Angeles, CA 90024  
 15 Tel: (310) 824-4312; Fax: (310) 824-4380  
 16 Attorneys for Plaintiff  
 17 FEDERAL TRADE COMMISSION

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

LOGGED

2018 APR 11 PM 12:55

CLERK U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
SANTA ANA

FEDERAL TRADE COMMISSION,  
Plaintiff,

LAW

AMERICAN HOME SERVICING  
CENTER, LLC,

CAPITAL HOME ADVOCACY  
CENTER,

NATIONAL ADVOCACY CENTER,  
LLC,

JAIME ABURTO, a/k/a James Aburto,  
and Jamie Aburto, individually, as an  
officer of American Home Servicing  
Center, LLC and National Advocacy  
Center, LLC, and d/b/a A.H.S.C.,

Case No. SACV18-00597 JLS (KESx)

COMPLAINT FOR  
PERMANENT INJUNCTION  
AND OTHER EQUITABLE  
RELIEF

1 American Home Servicing Center, Local  
2 Page, NAC, National Servicing Center,  
NSC Processing, and Secured Processing,

3  
4 MARCUS FIERRO, JR., individually, as a  
5 member of American Home Servicing  
6 Center, LLC and National Advocacy  
Center, LLC, and d/b/a A.H.S.C. and  
American Home Servicing Center,

7  
8 EVE CHRISTINE RODRIGUEZ, a/k/a  
9 Elizabeth Davis, Elizabeth Powers,  
10 Christina Rodriguez, Christine Rodriguez,  
11 and Elizabeth Rodriguez, individually, as a  
12 manager of American Home Servicing  
Center, LLC, a member of Capital Home  
Advocacy Center, and d/b/a National  
Advocacy Group,

13  
14 and SERGIO LORENZO RODRIGUEZ,  
15 a/k/a Sergio Lawrence, individually, as a  
16 manager of American Home Servicing  
Center, LLC, a member of Capital Home  
Advocacy Center, and d/b/a National  
Advocacy Group,

17  
18 Defendants.

19  
20 Plaintiff, the Federal Trade Commission (“FTC”), for its Complaint alleges:

21 1. The FTC brings this action under Section 13(b) of the Federal Trade  
22 Commission Act (“FTC Act”), 15 U.S.C. § 53(b), and the 2009 Omnibus  
23 Appropriations Act, Public Law 111-8, Section 626, 123 Stat. 524, 678 (Mar. 11,  
24 2009) (“Omnibus Act”), as clarified by the Credit Card Accountability  
25 Responsibility and Disclosure Act of 2009, Public Law 111-24, Section 511, 123  
26 Stat. 1734, 1763-64 (May 22, 2009) (“Credit Card Act”), and amended by the  
27

1 Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-  
2 203, Section 1097, 124 Stat. 1376, 2102-03 (July 21, 2010) (“Dodd-Frank Act”),  
3 12 U.S.C. § 5538, to obtain temporary, preliminary, and permanent injunctive  
4 relief, rescission or reformation of contracts, restitution, the refund of monies paid,  
5 disgorgement of ill-gotten monies, and other equitable relief for Defendants’ acts  
6 or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the  
7 Mortgage Assistance Relief Services Rule (“Regulation O”), 12 C.F.R. Part 1015,  
8 in connection with the marketing and sale of mortgage assistance relief services.

9 **JURISDICTION AND VENUE**

10 2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§  
11 1331, 1337(a), and 1345; 15 U.S.C. §§ 45(a), 53(b); and Section 626 of the  
12 Omnibus Act, as clarified by Section 511 of the Credit Card Act, and amended by  
13 Section 1097 of the Dodd-Frank Act, 12 U.S.C. § 5538.

14 3. Venue is proper in this District under 28 U.S.C. § 1391(b)(1), (b)(2),  
15 (c)(1), (c)(2), and (d), and 15 U.S.C. § 53(b).

16 **PLAINTIFF**

17 4. Plaintiff FTC is an independent agency of the United States  
18 Government created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section  
19 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or  
20 practices in or affecting commerce. In addition, pursuant to 12 U.S.C. § 5538, the  
21 FTC also enforces Regulation O, which requires mortgage assistance relief  
22 services providers to make certain disclosures, prohibits certain representations,  
23 and generally prohibits the collection of an advance fee.

24 5. The FTC is authorized to initiate federal district court proceedings, by  
25 its own attorneys, to enjoin violations of the FTC Act and Regulation O; and to  
26 secure such equitable relief as may be appropriate in each case, including  
27

1 rescission or reformation of contracts, restitution, the refund of monies paid, and  
2 the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b); § 626, 123 Stat. 678, as  
3 clarified by § 511, 123 Stat. 1763-64, and amended by § 1097, 124 Stat. 2102-03,  
4 12 U.S.C. § 5538.

5 **DEFENDANTS**

6 6. Defendant American Home Servicing Center, LLC (“American  
7 Home”) is a California limited liability company that previously operated out of  
8 505 North Tustin Avenue, Suite 212, Santa Ana, CA 92705 and 1851 1st Street,  
9 Suite 900, Santa Ana, CA 92705. At times material to this Complaint, acting  
10 alone or in concert with others, or as part of the common enterprise described in  
11 paragraphs 16 through 21, American Home has advertised, marketed, provided,  
12 offered to provide, or arranged for others to provide mortgage assistance relief  
13 services, as defined in 12 C.F.R. § 1015.2. American Home transacts or has  
14 transacted business in this District and throughout the United States.

15 7. Defendant Capital Home Advocacy Center (“Capital Home”) is a  
16 California corporation with its principal place of business at 1809 East Dyer Road,  
17 Suite 301, Santa Ana, CA 92705 (“1809 East Dyer”). At times material to this  
18 Complaint, acting alone or in concert with others, or as part of the common  
19 enterprise described in paragraphs 16 through 21, Capital Home has advertised,  
20 marketed, provided, offered to provide, or arranged for others to provide mortgage  
21 assistance relief services, as defined in 12 C.F.R. § 1015.2. Capital Home transacts  
22 or has transacted business in this District and throughout the United States.

23 8. Defendant National Advocacy Center, LLC (“National Advocacy”) is  
24 a California limited liability company with its principal place of business at 301  
25 West La Habra Blvd., Suite 2D, La Habra, CA 90631. At times material to this  
26 Complaint, acting alone or in concert with others, or as part of the common  
27

1 enterprise described in paragraphs 16 through 21, National Advocacy has  
2 advertised, marketed, provided, offered to provide, or arranged for others to  
3 provide mortgage assistance relief services, as defined in 12 C.F.R. § 1015.2.  
4 National Advocacy transacts or has transacted business in this District and  
5 throughout the United States.

6 9. Defendant Jaime Aburto, a/k/a James Aburto and Jamie Aburto, d/b/a  
7 A.H.S.C., American Home Servicing Center, Local Page, NAC, National  
8 Servicing Center, NSC Processing, and Secured Processing, has been a principal  
9 of American Home and National Advocacy. At all times material to this  
10 Complaint, acting alone or in concert with others, and through interrelated entities  
11 described in paragraphs 6 through 8, he has formulated, directed, controlled, had  
12 the authority to control, or participated in the acts and practices set forth in this  
13 Complaint. Jaime Aburto resides in this District and, in connection with the  
14 matters alleged herein, transacts or has transacted business in this District and  
15 throughout the United States.

16 10. Defendant Marcus Fierro, Jr., d/b/a A.H.S.C. and American Home  
17 Servicing Center, has been a principal of American Home and National  
18 Advocacy. At all times material to this Complaint, acting alone or in concert with  
19 others, and through interrelated entities described in paragraphs 6 through 8, he  
20 has formulated, directed, controlled, had the authority to control, or participated in  
21 the acts and practices set forth in this Complaint. Marcus Fierro, Jr. resides in this  
22 District and, in connection with the matters alleged herein, transacts or has  
23 transacted business in this District and throughout the United States.

24 11. Defendant Eve Christine Rodriguez, a/k/a Elizabeth Davis, Elizabeth  
25 Powers, Christine Rodriguez, Christina Rodriguez, and Elizabeth Rodriguez  
26 (“Christina Rodriguez”), has been an officer of American Home and Capital  
27

1 Home. At all times material to this Complaint, acting alone or in concert with  
2 others, and through interrelated entities described in paragraphs 6 through 8, she  
3 has formulated, directed, controlled, had the authority to control, or participated in  
4 the acts and practices set forth in this Complaint. Christina Rodriguez resides in  
5 this District and, in connection with the matters alleged herein, transacts or has  
6 transacted business in this District and throughout the United States.

7 12. Defendant Sergio Lorenzo Rodriguez, a/k/a Sergio Lawrence, d/b/a  
8 National Advocacy Group (“Sergio Rodriguez”), has been a principal of Capital  
9 Home. At all times material to this Complaint, acting alone or in concert with  
10 others, and through interrelated entities described in paragraphs 6 through 8, he  
11 has formulated, directed, controlled, had the authority to control, or participated in  
12 the acts and practices set forth in this Complaint. Sergio Rodriguez resides in this  
13 District and, in connection with the matters alleged herein, transacts or has  
14 transacted business in this District and throughout the United States.

15 **INDIVIDUAL ACTIVIES PRECEDING COMMON ENTERPRISE**

16 13. In or around 2014, Defendant Jaime Aburto, with two non-defendants,  
17 began doing business under the name “National Servicing Center.” As described  
18 below, National Servicing Center advertised, marketed, sold, provided, or offered  
19 to provide mortgage assistance relief services (MARS). National Servicing  
20 Center operated from 2112 East 4th Street, Suite 210, Santa Ana, CA 92705,  
21 1820 East Garry Avenue, Suite 215, Santa Ana, CA 92705, and 18685 Main  
22 Street, #101-445, Huntington Beach, CA 92684. National Servicing Center is  
23 also the name of a unit of the U.S. Department of Housing and Urban  
24 Development.

25 14. In May 2015, Defendant Aburto leased an office space at 505 North  
26 Tustin Avenue, Suite 212, Santa Ana, CA 92705 (“North Tustin Office”).

1 National Servicing Center paid the security deposit and the June 2015 rent for the  
2 North Tustin Office.

3 15. That same month, Defendants Aburto and Fierro began doing business  
4 under the name “American Home Servicing Center.” As described below,  
5 American Home Servicing Center, advertised, marketed, sold, provided, or  
6 offered to provide MARS. American Home Servicing Center operated out of the  
7 North Tustin Office.

8 **COMMON ENTERPRISE**

9 16. Defendants American Home, National Advocacy, and Capital Home  
10 (“Corporate Defendants”) have been operating as a common enterprise to engage  
11 in the deceptive acts and practices alleged below through interrelated companies  
12 that have common ownership, control persons, managers, business functions,  
13 employees, and office locations that commingle funds; and share one another’s  
14 marketing materials. Therefore, each is jointly and severally liable for the acts  
15 and practices alleged below.

16 17. Defendants Aburto, Fierro, Christina Rodriguez, and Sergio  
17 Rodriguez have formulated, directed, controlled, had the authority to control, or  
18 participated in the acts and practices of the common enterprise.

19 18. In November 2015, Defendant Fierro filed Articles of Incorporation  
20 for Defendant American Home with the California Secretary of State. Fierro  
21 listed 14024 Magnolia St., #200, Westminster, CA 92683 as the address for  
22 American Home. Defendant Christina Rodriguez was an officer of American  
23 Home (“Chief Operating Officer”), and Sergio Rodriguez was an officer or  
24 control person (“Compliance Manager”).

25 19. In November 2015, Defendant Fierro filed Articles of Incorporation  
26 for National Advocacy with the California Secretary of State. He listed 14024

1 Magnolia St., #200, Westminster, CA 92683 as the address. As described below,  
2 National Advocacy advertised, marketed, sold, provided, or offered to provide  
3 mortgage assistance relief services (MARS).

4 20. In September 2016, Defendant Sergio Rodriguez filed articles of  
5 incorporation for Capital Home with the California Secretary of State. Capital  
6 Home operates from 1809 East Dyer. On September 1, 2016, National Advocacy  
7 paid the rent for 1809 East Dyer. Christina Rodriguez is the owner of Capital  
8 Home.

9 21. The Corporate Defendants commingled bank accounts. They also  
10 operated from the same office spaces, with several different companies paying the  
11 rent, and shared some of the same employees. Significantly, the common  
12 enterprise, controlled by the individual Defendants, continuously operated the  
13 scheme described below.

#### 14 **COMMERCE**

15 22. At all times material to this complaint, Defendants have maintained a  
16 substantial course of trade in or affecting commerce, as “commerce” is defined in  
17 Section 4 of the FTC Act, 15 U.S.C. § 44.

#### 18 **DEFENDANTS’ BUSINESS PRACTICES**

19 23. From at least May 2015 to the present, Defendants, through operation  
20 of the common enterprise, have engaged in a course of conduct to advertise,  
21 market, sell, provide, or offer to provide, or arrange for others to provide MARS,  
22 including mortgage loan modification services and services to stop or avoid  
23 foreclosure.

#### 24 **Overview of Mortgage Modification Programs**

25 24. Following the subprime mortgage crisis of 2008, the federal  
26 government created a number of programs designed to assist homeowners who  
27



1 were no longer able to afford their mortgage payments. These programs included  
2 the Home Affordable Modification Program, or HAMP, which accepted  
3 applications through the end of 2016.

4 25. Under HAMP, a participating loan servicer could obtain program  
5 incentives by providing loan modifications to homeowners who were facing  
6 imminent default because of a documented financial hardship, such as a job loss,  
7 divorce, or serious illness that significantly decreased income or increased  
8 expenses.

9 26. These loan modifications reduced monthly payments to a sustainable  
10 amount (as defined by HAMP) through interest rate reductions, loan term  
11 extensions, and in some instances reductions in principal balance.

12 27. The loan servicer had broad discretion to deny a loan modification  
13 under HAMP. For example, it could deny a modification if it determined, based on  
14 a formula that used proprietary inputs, that the net present value of the modified  
15 loan was less than the anticipated value of a foreclosure.

16 28. The loan servicer could also deny a loan modification if it appeared  
17 that the homeowner intentionally defaulted on a loan, or presented insufficient  
18 documentation of hardship.

19 29. Not all loan servicers participated in the HAMP program.

20 30. If a participating loan servicer granted a modification, the homeowner  
21 had to make three timely trial payments for the modified amount before the  
22 modification was supposed to become permanent.

23 31. In addition to HAMP, loan servicers often have their own proprietary  
24 modification programs. These programs also require hardship and imminent  
25 default, and include a net present value analysis. To the extent that they differ  
26 from HAMP modifications, they include more grounds to deny a modification—  
27

1 for example, if the underlying agreement with the investor who had bought the  
2 loan precludes a modification.

3 **Defendants’ Marketing**

4 32. Defendants offer assistance with mortgage loan relief and solicit  
5 inbound telemarketing calls from distressed homeowners. To sell consumers on  
6 their loan modification services, they claim a 99% success rate and guarantee  
7 results regardless of the individual consumer’s situation. Shortly after consumers  
8 complete an application and submit documentation, Defendants inform those  
9 consumers that they have been confirmed for a specific mortgage modification,  
10 resulting in substantial savings. They then direct the consumers to pay Defendants  
11 several thousand dollars in “closing costs.”

12 **Initial Solicitation**

13 33. Defendants solicit calls from distressed homeowners through both the  
14 mail and internet advertising.

15 34. For example, in December 2015, American Home sent 28,000  
16 distressed homeowners a flyer stating they might be “eligible to receive  
17 immediate assistance,” including “a lower interest rate, principal reduction, HARP  
18 2.9 Refinance, or Elimination of 2nd Mortgage.” See Exhibit A.

19 35. The flyer envelope read “Notice Regarding Your Mortgage Loan” and  
20 “WARNING: \$2,000 FINE, 5 YEARS IMPRISONMENT, OR BOTH FOR ANY  
21 PERSON INTERFERING OR OBSTRUCTING WITH DELIVERY OF THIS  
22 LETTER U.S. MAIL TTT. 18 SEC. 1702 U.S. CODE.” The flyer directed  
23 consumers to “Call Today.”

24 36. Defendants also solicit consumers through their websites. For  
25 example, as of June 2, 2017, the National Advocacy website  
26 (www.nationaladvocacycenters.org) contained the following language: “Our  
27

1 company is dedicated to advocating for homeowners by working with mortgage  
2 investors, mortgage servicing lender's [sic], and the government to prepare and  
3 process Government Home Loan programs and Home Relief programs."

4 37. The Capital Home website (www.capitalhomeadvocacycenter.com)  
5 contained, as of May 19, 2017, the following language:

- 6 A. "Our company is dedicated in advocating for homeowners by  
7 working with mortgage investors, mortgage servicing lender's  
8 [sic], and the government to prepare and process Government  
9 Home Loan programs and Home Loan Relief programs."
- 10 B. "Need Mortgage Help Today? Capital Home Advocacy Center  
11 is designed to help you get mortgage help and avoid  
12 foreclosure. There is real help available. Get started today.  
13 Real Help is Available, Right Now Call Us at 1-888-238-3303."
- 14 C. "FORECLOSURE DEFENSE DEPARTMENT."
- 15 D. "We've helped over thousand [sic] home loans for families"
- 16 E. "We've proudly earned a 4.8 out of 5 customer satisfaction  
17 rating"
- 18 F. "98% of those surveyed would recommend CHAC to friends  
19 and family."
- 20 G. "Paying off mortgage [sic] and the connected legal systems can  
21 be a tricky business at times. The ins and outs of mortgage  
22 payments and the aspects involved in facilitating the payments  
23 can leave one dumbfounded or completely blank. Many are not  
24 aware of how dilemmas and legalities in mortgage payments  
25 can be resolved and the proceedings, [sic] take place – this is  
26 why a professional advocacy center engagement is crucial

1 should one face the skeins of mortgage payment and legitimate  
2 aspects related to it. And, this is where Capital Home Advocacy  
3 Center plays its role.”

4 H. “Capital Home Advocacy Center are [sic] experts in preparing,  
5 specifically, the center is exclusive [sic] in mortgage services  
6 [sic] document preparation inclusive of application for  
7 Government Home Loan Refinance programs and Government  
8 Home Loan Relief programs.”

9 38. By November 1, 2017, the Capital Home website also included a list  
10 of “Media Partners”: Freddie Mac, “Document Preparation Services,”  
11 MakingHomeAffordable.gov, “Great Place to Work BEST 2017,” yelp, and Better  
12 Business Bureau:



17 39. The home page identified Capital Home as a BBB Accredited  
18 Business.

19 40. Capital Home, however, is not accredited by the BBB, and has a F  
20 rating.

21 41. The Capital Home website listed “Lenders We Work With,” including  
22 the largest mortgage lenders: Bank of America, CapitalOne, Chase, Citi  
23 Mortgage, Carrington, Nationstar Mortgage, Cenlar, Ocwen, US Bank, HSBC,  
24 Wells Fargo Home Mortgage, Mr. Cooper, ditech, Freedom Mortgage,  
25 AmeriQuest, Green Tree, Rushmore, Quicken Loans, Loan Care, and “USDA  
26 Approved Lender”:

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Lenders We Work With



42. Additionally, the Capital Home website included a page called Services, stating, “Home loan modification provides a new type of payment to homeowners to pay at a lower rate. ... The payment is dwindled to 31% of the home owner’s [sic] income to loan ratio.”

43. Defendants run the website, NationalMortgageReliefCenter.org. As of October 2, 2017, the website identified its address as 333 City Blvd West Orange, CA 92868. Calls to the listed phone number, 888-416-1142, go directly to National Advocacy Center. The website states: “Millions of home owners [sic] were able to secure *Affordable Loan Modification* since 2007”; “Get help **NOW** before the program expires!!” It continues, “Find Out How To Avoid Foreclosure & Reduce Your Payments.”

44. Neither Capital Home’s website nor National Advocacy’s website make the disclosures required by Regulation O (see paragraph 105). Similarly, American Home’s mailers did not make the disclosures required by Regulation O (see paragraph 106).

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Sales Pitch**

45. Defendants’ sales agents pitch their services over the telephone and through email to consumers who call in response to Defendants’ initial solicitations.

**Defendants Offer Mortgage Assistance Relief Services**

46. When consumers call in response to the initial solicitation, Defendants offer assistance with mortgage loan relief, and represent that consumers who hire them are likely to obtain a loan modification that will result in a monthly payment the consumer can afford.

47. For example, on October 24 and 25, 2017, Defendants’ sales agent made the following statements to an undercover FTC Investigator, posing as a distressed consumer:

- A. “[W]e can negotiate on your behalf.”
- B. “[W]e can negotiate the terms and conditions. ... we can reduce the interest rate, whereas it can also reduce the monthly payment.”
- C. “[W]e can negotiate the terms and the condition of your loan restructure. We can negotiate the interest rate.”
- D. “We have specialists here to assist you on obtaining a modification.”
- E. “[W]e also exhaust all of your homeowner bill of rights so that we can negotiate the best terms and conditions for you, that put you in the best financial situation with your lender.”
- F. “[W]e do have homeowners that try to obtain modifications themselves or any type of program themselves. Nine – eight out of ten times, nine out of ten times, our homeowners can’t

1 render that positive outcome that they were expecting. That's  
2 why they call us because they don't know how to exhaust all of  
3 their homeowner bill of rights. Obtaining those programs is a  
4 tedious job. So that's why we come in and we assist  
5 homeowners to do so."

6 G. Q: "So you'd be able to reduce my monthly payment?"

7 A: "Yes. That's if you've fallen behind."

8 48. Separately, on October 25, 2017, Defendant Christina Rodriguez told  
9 the same Investigator that: "What we do here, [FTC Investigator's undercover  
10 name], is we help homeowners such as yourself whom [sic] are struggling to make  
11 their mortgage payment. We can do a loan restructure. The loan restructure will  
12 give you the lower monthly payment and a lower interest rate to get you back on  
13 track."

14 **Defendants Claim Consumers Are Highly Likely to Get a Modification**

15 49. During the same initial sales pitch, Defendants represent that the  
16 homeowners who call in are nearly certain to obtain loan modifications, and that  
17 Defendants' services are guaranteed.

18 50. For example, on October 24 and 25, 2017, a Capital Home Advocacy  
19 representative made the following statements to an FTC Investigator posing as a  
20 distressed homeowner:

21 A. "[W]e guarantee our services."

22 B. "And like I said, we guarantee our services."

23 C. "Our success rate is very high."

24 D. "[C]hance is that – that we are able to help you is, of course,  
25 you know, very high."

1 E. Q: "And you'd be able to guarantee it you said earlier?" A:  
2 "Yes, our services."

3 F. Q: (Referencing email from Capital Home, as described below)  
4 "[I]t sounds like if you take my case, there's a 99 percent  
5 chance of a modification." A: "Yes."

6 51. Defendants routinely tell consumers that they have a 99% success  
7 rate, and that they will obtain a modification for them.

8 52. Across all participating loan servicers, the approval rate for HAMP  
9 was generally less than 50 percent.

10 53. On November 2, 2017, a National Advocacy Center representative  
11 made the following statements to an FTC Investigator posing as a distressed  
12 homeowner:

13 A. "[W]hat we can do is assist you on lowering that interest rate  
14 and also lowering your mortgage payments, which will be  
15 approximately \$835.43 [as compared to \$1,100 amount  
16 provided by FTC Investigator as current payment]."

17 B. "[W]e're going to go ahead and work on getting, you know,  
18 everything restructured for you."

19 54. During this initial sales pitch, Defendants explain their process takes  
20 from 30 to 90 days, and that the homeowner will not have to pay the servicer  
21 during this time.

22 55. For example, on October 25, 2017, Defendants' sales agent made the  
23 following statements to an FTC Investigator posing as a distressed homeowner:

24 A. "So the process takes approximately 90 days. So during those  
25 90 days, of course, you're not making payments to the lender."  
26  
27  
28



1 B. Q: “[F]or that 30- to 90-day period, I wouldn’t be paying my  
2 loan servicer?” A: “Yes. You are not – you’re not required to  
3 pay them. ... I can’t advise you not to pay them, but I’m letting  
4 you know that in that time that you’re being reviewed, you’re  
5 not required to pay them. You’re safe.”

6 **Follow-Up Email Claims to Entice Consumers to Apply**

7 56. Defendants follow the initial sales pitch with an email that makes  
8 additional representations regarding their likelihood of success and their offer of  
9 mortgage assistance relief services (MARS). *See* Exhibit B.

10 57. For example, on October 24, 2017, one of Defendant’s sales  
11 representatives sent an email to the FTC’s undercover Investigator stating:

- 12 A. **“We have 98.9% approval rate with most Lenders.”**  
13 B. **“We will negotiate your existent loan terms to better suit your  
14 present financial situation (**reduce interest rate, reduced  
15 monthly payment**).”**  
16 C. **“We will negotiate your delinquent balance (to **reduce, or  
17 forgive all junk fees accumulated by your default**).”**  
18 D. **“[I]f you qualify for a Principal Balance Reduction, we will  
19 negotiate in your behalf.”**  
20 E. **“Once your file is submitted to your lender, any negative action  
21 against your property will cease. Including auction of your  
22 property.”**

23 58. On November 1, 2017, another representative sent an email (*See*  
24 Exhibit C) to the same undercover FTC Investigator, stating:  
25  
26  
27  
28



1           60. Instead, Defendants provide homeowners a schedule of payments for  
2 “the preparation work and HAMP modification to be performed” and tell them,  
3 “All fees are standard for Fannie Mae and Freddie Mac Government  
4 Modifications,” although no such standard fees exist.

5           61. Defendants create a false sense of urgency to lure consumers into their  
6 scheme. In numerous cases, they encourage homeowners to send in their  
7 paperwork while still on the phone.

8           **Defendants Falsely Tell Consumers They Are Confirmed for a Modification**

9           62. In numerous instances, once a homeowner sends her documents after  
10 the initial sales pitch, Defendants repeatedly represent that she is confirmed for a  
11 modification.

12           63. First, Defendants state over the phone that they have contacted the  
13 loan servicer and confirmed that the homeowner will receive a modification.

14           64. However, at this point in time Defendants have not contacted the loan  
15 servicer, or taken any other steps to determine whether the homeowner will obtain  
16 a modification.

17           65. Second, from at least February 3, 2015 to October 21, 2016,  
18 Defendants sent consumers a document titled “Eligibility Confirmation.” *See*  
19 Exhibit E. The Eligibility Confirmation stated, “You are confirmed for the  
20 following government program, **HAMP** (Home Affordable Modification  
21 Program.” In some instances, the document also stated that consumers were  
22 confirmed for the “**PRP** (Principal Reduction Program).”

23           66. The Eligibility Confirmation also stated, “Your investor and servicing  
24 bank will recoup the loss from your loan restructure from a government TARP  
25 fund because you meet the guidelines for this government fund.”  
26  
27  
28



1 based on the homeowner’s ability to pay. Defendants gave some homeowners the  
2 option of splitting up the fee into multiple payments, if they paid a “convenience  
3 fee” of several hundred dollars.

4 72. None of these forms made any of the disclosures required by  
5 Regulation O (see paragraph 108).

6 73. After HAMP stopped accepting applications, Defendants stopped  
7 using the Eligibility Confirmation and Proprietary Form, but continued to make  
8 substantially the same representations, telling consumers they were confirmed for  
9 the “Traditional Home Modification Program” or some other purported  
10 government program.

11 **Post-Sale**

12 74. Defendants tell consumers not to communicate with their lenders.  
13 They also tell consumers that they should stop paying their loan servicers for two  
14 or three months, and that they need only pay the trial payment amount after that.

15 75. Defendants tell consumers to pay Defendants in the interim for their  
16 purported service, and send consumers payment instructions. In numerous  
17 instances, consumers have paid Defendants these advance fees. In numerous  
18 instances, after consumers have enrolled in Defendants’ programs and paid the  
19 requested advance fees, Defendants have failed to obtain a loan modification,  
20 principal reduction, or other relief to stop foreclosure or make consumers’  
21 mortgage payments affordable.

22 76. Consumers who determine they have not actually obtained the  
23 promised loan modifications frequently ask for refunds. In response, Defendants  
24 tell them that they failed to meet their obligations under the program or to disclose  
25 critical information, and that they are therefore not eligible for refund.

26  
27  
28



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

84. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

**COUNT I**

**(Deceptive Representations That Defendants Are Highly Likely to Obtain Loan Modifications for Consumers)**

85. In numerous instances since at least 2015, in connection with the advertising, marketing, promotion, offering for sale, or sale or performance of mortgage assistance relief services, Defendants have represented, directly or indirectly, expressly or by implication, that they are likely to obtain loan modifications for consumers that will make their payments substantially more affordable or help them avoid foreclosure.

86. In truth and in fact, Defendants are not likely to obtain loan modifications for consumers that will make their payments substantially more affordable or help them avoid foreclosure.

87. Therefore, Defendants’ representations as set forth in Paragraph 85 are false and misleading, and constitute a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

**COUNT II**

**(Deceptive Representations Regarding Confirmation for Loan Modification Programs)**

88. In numerous instances since at least 2015, in connection with the advertising, marketing, promotion, offering for sale, or sale or performance of mortgage assistance relief services, Defendants have represented, directly or indirectly, expressly or by implication, that consumers had been confirmed for a specific loan modification.

1 89. In truth and in fact, consumers had not been confirmed for the  
2 represented loan modification.

3 90. Therefore, Defendants’ representations as set forth in Paragraph 88  
4 are false and misleading, and constitute a deceptive act or practice in violation of  
5 Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

6 **COUNT III**

7 **(Deceptive Representations Regarding Affiliation with the Government or**  
8 **Other Entities)**

9 91. In numerous instances since at least 2015, in connection with the  
10 advertising, marketing, promotion, offering for sale, or sale or performance of  
11 mortgage assistance relief services, Defendants have represented, directly or  
12 indirectly, expressly or by implication, that they are affiliated with the government  
13 or other entities such as the Better Business Bureau.

14 92. In truth and in fact, Defendants are not affiliated with the government  
15 or other entities such as the Better Business Bureau.

16 93. Therefore, Defendants’ representations as set forth in Paragraph 91  
17 are false and misleading, and constitute a deceptive act or practice in violation of  
18 Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

19 **VIOLATIONS OF REGULATION O**

20 94. In 2009, Congress directed the FTC to prescribe rules prohibiting  
21 unfair or deceptive acts or practices with respect to mortgage loans. Omnibus  
22 Act, § 626, 123 Stat. 678, as clarified by Credit Card Act, § 511, 123 Stat. 1763-  
23 64. Pursuant to that direction, the FTC promulgated the MARS Rule, 16 C.F.R.  
24 Part 322, all but one of the provisions of which became effective on December 29,  
25 2010. Title X of the Dodd-Frank Act, 124 Stat. 1376, transferred the FTC’s  
26 rulemaking authority under the Omnibus Act, as amended, to the Consumer

27  
28



1 Financial Protection Bureau (“CFPB”). On December 16, 2011, the CFPB  
2 republished the MARS Rule as Regulation O, 12 C.F.R. Part 1015.

3 95. Regulation O defines “mortgage assistance relief service provider” as  
4 “any person that provides, offers to provide, or arranges for others to provide, any  
5 mortgage assistance relief service” other than the dwelling loan holder, the  
6 servicer of a dwelling loan, or any agent or contractor of such individual or entity.  
7 12 C.F.R. § 1015.2.

8 96. Regulation O prohibits any mortgage assistance relief service provider  
9 from requesting or receiving payment of any fee or other consideration until the  
10 consumer has executed a written agreement between the consumer and the  
11 consumer’s loan holder or servicer that incorporates the offer that the provider  
12 obtained from the loan holder or servicer. 12 C.F.R. § 1015.5(a).

13 97. Regulation O prohibits any mortgage assistance relief service provider  
14 from representing, expressly or by implication, in connection with the advertising,  
15 marketing, promotion, offering for sale, sale, or performance of any mortgage  
16 assistance relief service, that a consumer cannot or should not contact or  
17 communicate with his or her lender or servicer. 12 C.F.R. § 1015.3(a).

18 98. Regulation O prohibits any mortgage assistance relief service provider  
19 from misrepresenting, expressly or by implication, any material aspect of any  
20 mortgage assistance relief service, including but not limited to:

- 21 A. The likelihood of negotiating, obtaining, or arranging any  
22 represented service or result. 12 C.F.R. § 1015.3(b)(1);  
23 B. The amount of time it will take the mortgage assistance relief  
24 service provider to accomplish any represented service or  
25 result. 12 C.F.R. § 1015.3(b)(2);  
26  
27  
28

- 1 C. That a mortgage assistance relief service is affiliated with,  
2 endorsed or approved by, or otherwise associated with (i) the  
3 United States government, (ii) any governmental homeowner  
4 assistance plan (iii) any Federal, State, or local government  
5 agency, unit, or department, (iv) any nonprofit housing  
6 counselor agency or program, (v) the maker, holder, or servicer  
7 of the consumer's dwelling loan, or (vi) any other individual,  
8 entity, or program. 12 C.F.R. § 1015.3(b)(3)(i)-(vi); and  
9 D. The consumer's obligation to make scheduled periodic  
10 payments or any other payments pursuant to the terms of the  
11 consumer's dwelling loan. 12 C.F.R. § 1015.3(b)(4).

12 99. Regulation O prohibits any mortgage assistance relief service provider  
13 from failing to place a statement clearly and prominently in every general  
14 commercial communication disclosing that (i) the provider is not associated with  
15 the government and its service is not approved by the government or any lender,  
16 and (ii) in certain cases, a statement disclosing that the lender may not agree to  
17 modify a loan, even if the consumer uses the provider's service. 12 C.F.R.  
18 §§ 1015.4(a)(1)-(2).

19 100. Regulation O prohibits any mortgage assistance relief service provider  
20 from failing to place a statement clearly and prominently in every consumer-  
21 specific commercial communication (i) confirming that the consumer may stop  
22 doing business with the provider or reject an offer of mortgage assistance without  
23 having to pay for the services, (ii) disclosing that the provider is not associated  
24 with the government and its service is not approved by the government or any  
25 lender, (iii) in certain cases, a statement disclosing that the lender may not agree to  
26 modify a loan, even if the consumer uses the provider's service, and (iv) in certain  
27

1 cases, a statement disclosing that if they stop paying their mortgage, consumers  
2 may lose their home or damage their credit. 12 C.F.R. §§ 1015.4(b)(1)-(3) and  
3 (c).

4 101. Pursuant to the Omnibus Act, § 626, 123 Stat. 678, as clarified by the  
5 Credit Card Act, § 511, 123 Stat. 1763-64 and amended by the Dodd-Frank Act,  
6 § 1097, 124 Stat. 2102-03, 12 U.S.C. § 5538, and pursuant to Section 18(d)(3) of  
7 the FTC Act, 15 U.S.C. § 57a(d)(3), a violation of Regulation O constitutes an  
8 unfair or deceptive act or practice in or affecting commerce, in violation of  
9 Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

10 **COUNT IV**

11 **(Advance Payments for Mortgage Assistance Relief Services)**

12 102. In numerous instances since at least 2015, in the course of providing,  
13 offering to provide, or arranging for others to provide mortgage assistance relief  
14 services, Defendants requested or received payment before consumers executed  
15 written agreements with their loan holders or servicers that incorporated the offers  
16 obtained by Defendants, in violation of Regulation O, 12 C.F.R. § 1015.5(a).

17 **COUNT V**

18 **(Prohibited Representations Regarding Consumer Communications with**  
19 **Lender)**

20 103. In numerous instances since at least 2015, in the course of providing,  
21 offering to provide, or arranging for others to provide mortgage assistance relief  
22 services, Defendants, in violation of Regulation O, 12 C.F.R. § 1015.3(a), have  
23 represented, expressly or by implication, that a consumer cannot or should not  
24 contact or communicate with his or her lender or servicer.

**COUNT VI**

**(Material Misrepresentations Regarding Aspects of Defendants’ Services)**

104. In numerous instances since at least 2015, in the course of providing, offering to provide, or arranging for others to provide mortgage assistance relief services, Defendants, in violation of Regulation O, 12 C.F.R. § 1015.3(b)(1)-(4), have misrepresented, expressly or by implication, material aspects of their services, including, but not limited to:

- A. Defendants’ likelihood of obtaining mortgage loan modifications for consumers that will make their payments substantially more affordable;
- B. The amount of time it will take the mortgage assistance relief service provider to accomplish any represented service or result;
- C. That Defendants are affiliated with, endorsed or approved by, or otherwise associated with: (i) the United States government; (ii) any governmental homeowner assistance plan; (iii) any Federal, State, or local government agency, unit, or department; (iv) any nonprofit housing counselor agency or program; (v) the maker, holder, or servicer of the consumer’s dwelling loan, or (vi) any other individual, entity, or program; and
- D. The consumer’s obligation to make scheduled periodic payments or any other payments pursuant to the terms of the consumer’s dwelling loan.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**COUNT VII**

**(Failure to Disclose in General Commercial Communications)**

105. In numerous instances since at least 2015, in the course of providing, offering to provide, or arranging for others to provide mortgage assistance relief services, Defendants have failed to make the following disclosures clearly and prominently in general commercial communications:

- A. “[American Home / Capital Home / National Advocacy] is not associated with the government, and our service is not approved by the government or your lender,” in violation of Regulation O, 12 C.F.R. § 1015.4(a)(1); and
- B. “Even if you accept this offer and use our service, your lender may not agree to change your loan,” in violation of Regulation O, 12 C.F.R. § 1015.4(a)(2);

**COUNT VIII**

**(Failure to Disclose in Consumer-Specific Commercial Communications)**

106. In numerous instances since at least 2015, in the course of providing, offering to provide, or arranging for others to provide mortgage assistance relief services, Defendants have failed to make the following disclosures clearly and prominently in consumer-specific commercial communications:

- A. “You may stop doing business with us at any time. You may accept or reject the offer of mortgage assistance we obtain from your lender [or servicer]. If you reject the offer, you do not have to pay us. If you accept the offer, you will have to pay us [insert amount or method for calculating the amount] for our services,” in violation of Regulation O, 12 C.F.R. § 1015.4(b)(1);

- 1 B. “[American Home / Capital Home / National Advocacy] is not
- 2 associated with the government, and our service is not approved
- 3 by the government or your lender,” in violation of Regulation
- 4 O, 12 C.F.R. § 1015.4(b)(2);
- 5 C. “Even if you accept this offer and use our service, your lender
- 6 may not agree to change your loan,” in violation of Regulation
- 7 O, 12 C.F.R. § 1015.4(b)(3); and
- 8 D. “If you stop paying your mortgage, you could lose your home
- 9 and damage your credit,” in violation of Regulation O,
- 10 12 C.F.R. § 1015.4(c).

**CONSUMER INJURY**

11  
12 107. Consumers have suffered and will continue to suffer substantial injury  
13 as a result of Defendants’ violations of the FTC Act and Regulation O. In  
14 addition, Defendants have been unjustly enriched as a result of their unlawful acts  
15 or practices. Absent injunctive relief by this Court, Defendants are likely to  
16 continue to injure consumers, reap unjust enrichment, and harm the public  
17 interest.

**THIS COURT’S POWER TO GRANT RELIEF**

18  
19 108. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court  
20 to grant injunctive and such other relief as the Court may deem appropriate to halt  
21 and redress violations of any provision of law enforced by the FTC. The Court, in  
22 the exercise of its equitable jurisdiction, may award ancillary relief, including  
23 rescission or reformation of contracts, restitution, the refund of monies paid, and  
24 the disgorgement of ill-gotten monies, to prevent and remedy any violation of any  
25 provision of law enforced by the FTC.



1 Dated: 4/11/18

Respectfully submitted,

2  
3 ALDEN F. ABBOTT  
Acting General Counsel

4  
5 *Elsie B. Kappler*  
6 ELSIE KAPPLER, pro hac vice  
ekappler@ftc.gov  
7 SANGJOON HAN, pro hac vice  
shan@ftc.gov  
8 FEDERAL TRADE COMMISSION  
9 600 Pennsylvania Ave. NW, CC-9528  
Washington, DC 20580  
10 Tel: (202) 326-2466, -2495; Fax:  
11 (202) 326-3197  
12 BARBARA CHUN, Local Counsel,  
Cal. Bar No. 186907  
13 bchun@ftc.gov  
14 FEDERAL TRADE COMMISSION  
10990 Wilshire Blvd. Suite 400  
15 Los Angeles, CA 90024 Tel: (310)  
16 824-4312; Fax: (310) 824-4380  
17 Attorneys for Plaintiff  
FEDERAL TRADE COMMISSION

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



# Exhibit A

Account Review Notice

Presorted Standard  
U.S. Postage  
PAID  
Sacramento, CA  
Permit No. 1827

NOTICE REGARDING YOUR MORTGAGE LOAN

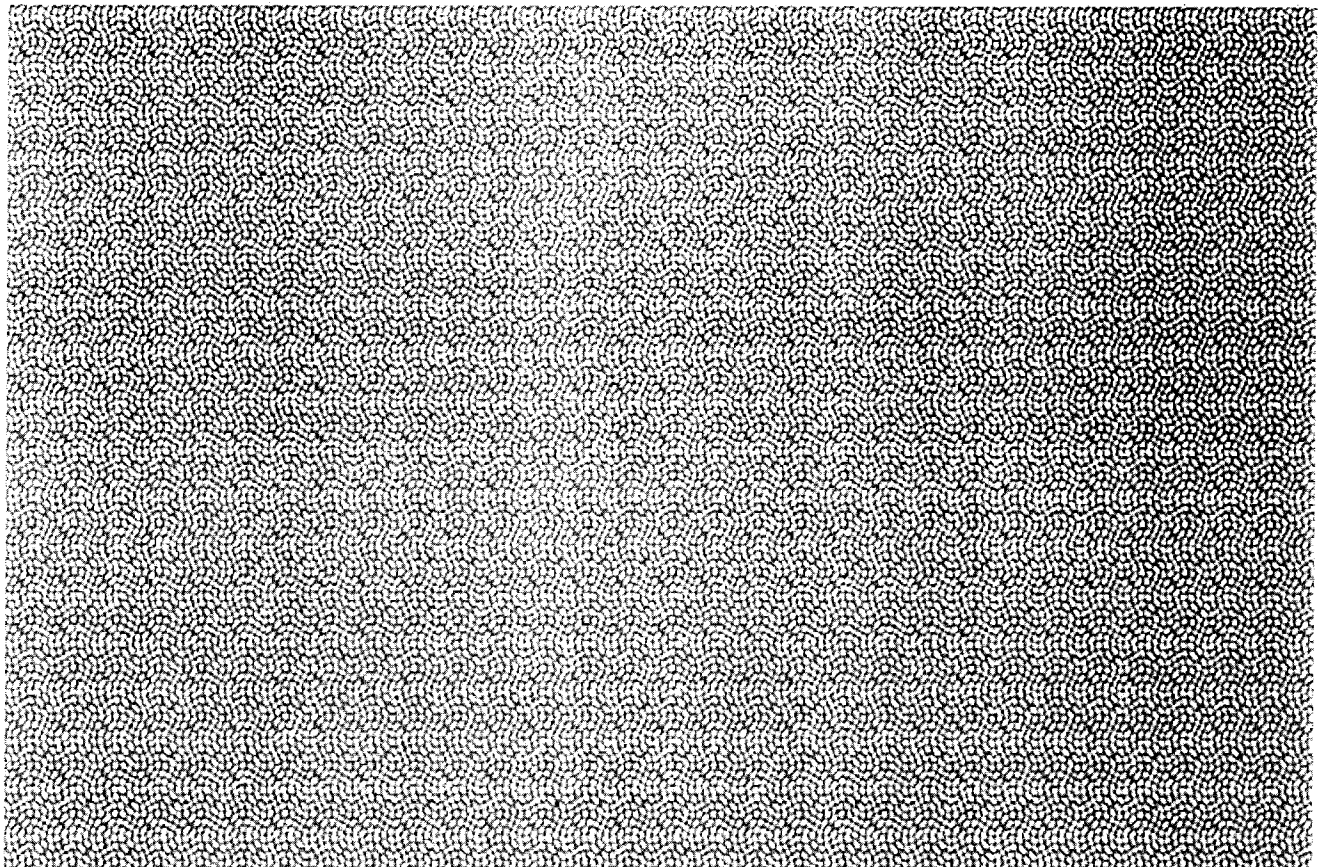
1\*0\*7\*\*\*\*\*SCH 5-DIGIT 32703

CA  
a



TO BE OPENED BY ADDRESSEE ONLY

WARNING: \$2,000 FINE, 5 YEARS IMPRISONMENT, OR BOTH FOR ANY PERSON  
INTERFERING OR OBSTRUCTING WITH DELIVERY OF THIS LETTER U.S. MAIL TTT. 18  
SEC. 1702 U.S. CODE



RE: [REDACTED]



[REDACTED]

Eligibility Code:	[REDACTED]
Contact:	(800) 971-4259 <sup>GA</sup>
Assigned Dept:	HOME RETENTION

## ACCOUNT REVIEW NOTICE

A recent review of your property has determined that you may be eligible to receive immediate assistance. Your loan has been reviewed by our department and your current loan may be subject to a lower interest rate, principal reduction, HARP 2.9 Refinance, or Elimination of 2<sup>nd</sup> Mortgage.

Your current lender is one of the approved lenders authorized to offer aggressive loan workout options to qualified borrowers. This is a big incentive to help move loans to better programs.

Under the specifics of this program, your current mortgage would have a new monthly payment of ~~\$554~~<sup>GA</sup> or less.\*

<b>MORTGAGE AMOUNT:</b>	
<b>NEW RATE:</b>	<b>2.00% / 3.00% Fixed</b>
<b>NEW MORTGAGE PAYMENT:</b>	<del>\$554</del> <sup>GA</sup>

This offer is good for 30 days and is subject to certain conditions. No other notice will be issues and no phone calls will be made to you.

### WHAT YOU NEED TO DO:

1. Locate your Reference Number : [REDACTED]
2. Call Today: (800) 971-4259<sup>GA</sup>
3. Have your **Mortgage Statement** ready for verification purposes.

**Se Habla Española**

.....  
This is not a commitment to lend. Restrictions apply. This information was obtained through public record sources. You may stop doing business with us anytime; you may accept or reject any offer of mortgage assistance. We are not an affiliate of your current lender or any government agency. Rates and terms are subject to change without notice. Not all applicants will qualify. If you stop making your mortgage payment, you may damage your credit and lose your home.

# Exhibit B



[REDACTED] <[REDACTED]@gmail.com>

---

## Home Loan Modification Process

---

Tran Huynh <thuynh@capitalhome.org>  
To: [REDACTED]@gmail.com

Tue, Oct 24, 2017 at 3:39 PM

[REDACTED],

It was a pleasure speaking with you, Thank you for choosing **Capital Home Advocacy Center**

We are excited to start your Loan Restructure, we most definitely want to gain your trust and address all of your concerns. First and foremost our goal is **“To Place You In The Best Financial Position with your Lender”** The **“Traditional Home Loan Modification”** is specifically designed to give homeowners the help they need to get a *fresh start* with their mortgage. Our process normally can take anywhere from **30 to 90 days**.

We take every case very personal, we understand it is your home and we exhaust every avenue at our disposal to obtain a fresh start for our clients. **We have 98.9% approval rate with most Lenders**, Our Discovery Assessment department reviews your file first, your lender is called and we assure ourselves we are able to render you a positive outcome before accepting your file.

*Once your file is submitted to your lender, any negative action against your property will cease. Including auction of your property.*

You will be assigned a processor to work on your file; our processing team will keep you abreast of any actions taken on your case throughout this process.

Benefits you will receive:

### **YOUR LOAN WILL BE REINSTATED**

- We will negotiate your delinquent balance (to **reduce, or forgive all junk fees accumulated by your default**)
- We will negotiate your existent loan terms to better suit your present financial situation ( **reduce interest rate, reduced monthly payment** )

- If your property is underwater (balance is more than the property value) if you qualify for a Principal Balance Reduction, we will negotiate in your behalf
- **We will bring your account current**

To get a head start here's a List of the Documents we are going to need to move forward | Please complete documents along with the Attached PDF files above to: **Fax: 949-565-1321 Attn: Tran Huynh**

**Once we received them we will review with processing department to see if we were able to accept your case for assistance.**

1. **Mortgage statement**
2. **Utility bill in your name (owners name )**
3. **Proof of income (30 Days) (Recent Pay stubs – Award letters etc. Proof of disability Application and or Additional Income including family)**
4. **Tax Returns | ( 2015 & 2016 all pages and sign page 4)**
5. **2 months of bank statements (all pages)**
6. **Financial work sheet form (attached) (please fill out with the best of your knowledge)**
7. **Hardship form (attached)**
8. **Third Party Borrower's Authorization (attached)**
9. **Dodd Frank Certification (attached)**
10. **4506-T (attached)**
11. **Waiver (attached)**

Our main Goal is **“To Place You in the Best Financial Position with your Lender”**

If you have any question please don't hesitate to call my office.

Warm Regards,

Tran Huynh

**Customer Service Department**

**Contact: Fax/Phone 949.565.1321**



**CAPITAL HOME ADVOCACY CENTER**

**Capital Home Advocacy Center**

[www.capitalhomeadvocacycenter.com](http://www.capitalhomeadvocacycenter.com)

1809 Dyer Rd. Suite #301

Santa Ana, CA 92705

Hours of Operation 6:00am to 7:00pm Pacific standard time




Please consider the environment before printing this email.

NOTICE: Nothing in this e-mail shall create an attorney-client relationship. Nothing sent to this office via e-mail shall constitute an attorney-client relationship. Nothing contained in this e-mail shall be construed to be a guarantee or prediction of result. This e-mail and any attachments thereto may contain information which is privileged and confidential, and is intended for the sole use of the recipient(s) named above. Any use of the information contained herein (including, but not limited to, total or partial reproduction, communication or distribution in any form) by persons other than the designated recipient(s) is strictly prohibited. If you have received this e-mail in error, please notify the sender either by telephone or by e-mail and delete the material from any computer. Thank you for your cooperation

---


**6 attachments**

 **DODD FRANK FORM.PDF**  
156K

 **4506T2017.pdf**  
725K

 **Waiver.pdf**  
91K

Small Home Loan Modification Process

 [REDACTED]-+CHAC+-+3rd+Party+Authorization.pdf  
74K

 [REDACTED]-Financial+Worksheet-.pdf  
58K

 [REDACTED]-Hardship+Form.pdf  
53K



# Exhibit C



[REDACTED] <[REDACTED]@gmail.com>

---

## Home Affordable Program (documents needed)

---

Veronica Lopez <vlopez@nachelp.org>  
To: [REDACTED]@gmail.com

Wed, Nov 1, 2017 at 7:44 PM

Dear Mr. [REDACTED],

Thanks for speaking with me today. The "Making Home Affordable Program" is specifically designed to give homeowners the help they need to get a *fresh start* with their mortgage. Our process normally can take anywhere from 30 to 90 days. The ***past due balance will be placed at the end of your loan*** as a deferred payment. We will ***negotiate some of the past due to be forgiven, such as late fees, inspection fees, junk fees etc...*** the ***balance will be deferred with no interest***. Once we are done you will be able to resume your payments and get that fresh start you deserve.

You will be assigned a processor to work on your file; she will keep you abreast of any actions taken on your case throughout this process. *Once your file is submitted to your lender, any negative action against your property will cease.*

Benefits you will receive:

- **YOUR LOAN WILL BE REINSTATED**
- We will negotiate your delinquent balance (to reduce, or forgive all junk fees accumulated by your default)
- We will negotiate your existent loan terms to better suit your present financial situation ( reduce interest rate, reduced monthly payment)
- If your property is underwater (balance is more than the property value) if you qualify for a Principal Balance Reduction, we will negotiate in your behalf
- We will bring your account current

The first steps to this process: I will need a list of the documents below we will need in order for us to begin the process. Keep in mind that the more prepared you are, the faster you can get help. Gather the documentation such as a mortgage statement, your income, and the details of your current situation. With that information in hand we can determine a faster Results..

### PLEASE SEND THESE DOCUMENTS

1. Mortgage statement
2. Utility bill in your name
3. Bank statements 2 months
4. 2015 and 2014 taxes or 2016
5. Proof of income ( pay stubs, ssi award letter, disability etc...)

If you have any questions feel free to contact me.

Best Regards,

## VERONICA LOPEZ

CASE MANAGER | LOSS MITIGATION DEPARTMENT

HOME AFFORDABLE PROGRAM

TOLL FREE: 1-800-950-2818 Ext.632

DIRECT: (657) 777-4261 FAX: (877) 595-3558

Email :[vlopez@nachelp.org](mailto:vlopez@nachelp.org)

Website: [www.nationaladvocacycenters.org](http://www.nationaladvocacycenters.org)

#### IMPORTANT LEGAL NOTICE:

1. This is a private message and the information contained in this e-mail and accompanying attachment(s) are intended for the sole use of the addressee(s). If you are not the intended addressee, then you may neither use the information in the message nor in any attachment(s).
2. In addition the information and attachments constitute confidential information, which may be legally privileged. If you are not the intended recipient, then any disclosure, copying, distribution or taking any action in reliance on this information is strictly forbidden and may be unlawful. This information is the property of National

Advocacy Center, a California Firm. If you have received this e-mail in error, please notify us immediately by return e-mail.

3. This e-mail transmission may not be secure and may be legally intercepted. Clients are asked to use their best judgment in determining if a more secure means of communication than e-mail is appropriate for replying to this message.

4. If you have received this email by mistake please forward to : Info@NationalAdvocacyCenter.org



# Exhibit D

**Making Home Affordable Program  
Request For Mortgage Assistance (RMA)**



If you are experiencing a financial hardship and need help, you must complete and submit this form along with other required documentation to be considered for foreclosure prevention options under the Making Home Affordable (MHA) Program. You must provide information about yourself and your intentions to either keep or transition out of your property; a description of the hardship that prevents you from paying your mortgage(s); information about all of your income, expenses and financial assets; whether you have declared bankruptcy; and information about the mortgage(s) on your principal residence and other single family real estate that you own. Finally, you will need to return to your loan servicer (1) this completed, signed and dated Request for Mortgage Assistance (RMA); and (2) completed and signed IRS Form 4506-T or 4506T-EZ; and (3) all required income documentation identified in Section 4.

When you sign and date this form, you will make important certifications, representations and agreements, including certifying that all of the information in this RMA is accurate and truthful.

**SECTION 1: BORROWER INFORMATION**

**BORROWER**

**CO-BORROWER**

BORROWER'S NAME

CO-BORROWER'S NAME

SOCIAL SECURITY NUMBER

DATE OF BIRTH (MM/DD/YY)

SOCIAL SECURITY NUMBER

DATE OF BIRTH (MM/DD/YY)

HOME PHONE NUMBER WITH AREA CODE

HOME PHONE NUMBER WITH AREA CODE

CELL OR WORK NUMBER WITH AREA CODE

CELL OR WORK NUMBER WITH AREA CODE

MAILING ADDRESS

MAILING ADDRESS (IF SAME AS BORROWER, WRITE "SAME")

EMAIL ADDRESS

EMAIL ADDRESS

Has any borrower filed for bankruptcy?  Chapter7  Chapter13

Filing Date: \_\_\_\_\_ Bankruptcy case number: \_\_\_\_\_

Has your bankruptcy been discharged?  Yes  No

Is any borrower a servicemember?  Yes  No

Have you recently been deployed away from your principal residence or recently received a permanent change of station order?  Yes  No

How many single family properties other than your principal residence do you and/or any co-borrower(s) own individually, jointly, or with others? \_\_\_\_\_

Has the mortgage on your principal residence ever had a Home Affordable Modification Program (HAMP) trial period plan or permanent modification?  Yes  No

Has the mortgage on any other property that you or any co-borrower own had a permanent HAMP modification?  Yes  No If "Yes", how many? \_\_\_\_\_

Are you or any co-borrower currently in or being considered for a HAMP trial period plan on a property other than your principal residence?  Yes  No

**SECTION 2: HARDSHIP AFFIDAVIT**

I (We) am/are requesting review under MHA.

I am having difficulty making my monthly payment because of financial difficulties created by (check all that apply):

My household income has been reduced. For example: reduced pay or hours, decline in business or self employment earnings, death, disability or divorce of a borrower or co-borrower.

My monthly debt payments are excessive and I am overextended with my creditors. Debt includes credit cards, home equity or other debt.

My expenses have increased. For example: monthly mortgage payment reset, high medical or health care costs, uninsured losses, increased utilities or property taxes.

My cash reserves, including all liquid assets, are insufficient to maintain my current mortgage payment and cover basic living expenses at the same time.

I am unemployed and (a) I am receiving/will receive unemployment benefits or (b) my unemployment benefits ended less than 6 months ago.

Other:

Explanation (continue on a separate sheet of paper if necessary):

### SCHEDULE OF PAYMENTS

National Servicing Center - 2112 E 4th St., Suite 230, Santa Ana, CA 92705 Ph :800-474-8410, Fax: 866-798-0379

CLIENT NAME:	
SOCIAL SECURITY NUMBER:	
CO-CLIENT NAME:	
SOCIAL SECURITY NUMBER:	
SUBJECT PROPERTY ADDRESS:	
BEST CONTACT NUMBER:	
CASE MANAGER NAME:	SPRING KASPER
CASE #	

The following is a payment schedule for the preparation work and HAMP modification to be performed. It is agreed to and acknowledged that the client(s) will provide a deposit for final closing cost of listed amount for reduction of fixed interest rate, modified past due amount and or PRA.

Contract Fee: \$2,975.00

The cost of the program is: \$ 4,575.00 less a supplemental credit \$ 1,600.00 , your final processing fees are \$ 2,975.00 plus convenience fees for payment options. This final closing amount will change if the total amount due is not paid in full by the date agreed on. All fees are standard for Fannie Mae and Freddie Mac Government Modifications.

<b>Payments</b>				
	Payment Date	Amount of Payment	Form of Payment	Initial
FIRST PAYMENT	2/20/2015	\$ 1,125.00	CHECK OR CERTIFIED FUNDS	
SECOND PAYMENT	3/20/2015	\$ 1,125.00	POST DATED CHECK	
THIRD PAYMENT	4/20/2015	\$ 1,125.00	POST DATED CHECK	
		\$		
		\$		
		\$		

The above is an agreed upon amount and schedule for payments due under the Agreement with National Servicing Center. It is acknowledged that the above balance needs to be PAID IN FULL upon notification that the pertinent Services have been completed. In the event of a declined payment, ALL WORK WILL STOP until paid in full with cash or cashier's check. Please make all payments payable to National Servicing Center.

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

Checks payable to "National Servicing Center".

- Payment via Check
- FedEx overnight - prepaid by National Servicing Center
- Please make check payable to "National Servicing Center"

(800) 474-8410 (866) 798-0379  
info@NationalServicingCenter.Net  
2112 E 4th St, Suite 230, Santa Ana CA 92705



National Servicing Center

**AGREEMENT: Document Preparation**

**CLIENT INFORMATION**

BORROWER'S NAME

CO-BORROWER'S NAME

SUBJECT PROPERTY

**AGREEMENT**

National Servicing Center hereby agrees to provide document preparation products for Client(s). National Servicing Center will utilize its resources, industry experience, and contacts to compose a comprehensive financial application. The application package will be based on the documentation provided by the Client(s). This documentation provided by you will include the following financial information; mortgage, personal, and all other "necessary" applicable items. This documentation is needed to compose the application in a complete and professional manner. By signing below the Client(s) understand(s), acknowledge(s), and agree(s) that National Servicing Center does not guarantee results in conjunction with this document preparation services.

Client(s) will pay a fee of \$ 2975.00 to National Servicing Center in exchange for its documentation preparation products. This fee is due after the file has been reviewed by staff and, or, management for approval eligibility. Upon receiving payment, the requested documentation and signed application, National Servicing Center will begin the preparation of the file. In the event the lender declines your document submission for a modification, forbearance, trial into modification or repayment plan, in conjunction with the document preparation, you will receive a refund. Client(s) is(are) responsible for full payment to National Servicing Center if your lender accepts the prepared documents and the review process is initiated by your lender for modification, forbearance, trial into modification or repayment plan. If Client(s) decline(s) offer no refund is deserved or forthcoming.

Client(s) agrees to cooperate with National Servicing Center with regard to providing information, documents and any other information needed by National Servicing Center to perform the products set forth in this agreement. This information includes but is not limited to: copy of valid driver's license, the most current versions of pay roll stubs, tax returns, bank statements, retirement accounts, mortgage statements, mortgage notes, property tax bill, homeowners insurance, household bills, original loan application, mortgage note and HUD-1 document.

Client(s) acknowledge(s) and agree(s) that the fee is considered earned by National Servicing Center upon the completion of the prepared documentation. This fee is not contingent upon any results for any process initiated by the Client(s) to their prospective lender(s).

The obligation of National Servicing Center to perform "services" for Client(s) is conditioned on the performance by Client(s) of providing complete and truthful information in a timely manner. If the Client(s) fails to perform, then National Servicing Center will have no further obligation whatsoever. The parties agree that any damages claimed by either party are limited to the amount of the Client(s)'s fee in all cases.

This contract contains the entire agreement between National Servicing Center and Client(s) concerning the rights granted and the obligations assumed in this contract. Client(s) may cancel or rescind this contract without penalty or obligation within.

**DISCLOSURE**

Your lender's normal collection proceedings will continue through the document preparation process. National Servicing Center advises all Clients that all payments should be made in accordance with their lender's instructions.

**TERMS**

I have read, reviewed and agree to the terms and conditions of this agreement. I understand and am aware of the parameters, requirements and conditions set forth by this agreement.

BORROWER

CO-BORROWER

DATE



(866) 827 1968 (866) 798 0379  
info@NationalServicingCenter.net  
2112 E 4th St, Suite 230, Santa Ana CA 92705



# National Servicing Center

## AUTHORIZATION: Third Party Authorization

### CLIENT INFORMATION

DATE SIGNED	DATE FAXED	DATE CONFIRMED
[REDACTED]		[REDACTED]
SERVICING COMPANY	LOAN NUMBER	
[REDACTED]		
BORROWER'S NAME	CO-BORROWER'S NAME	
[REDACTED]		
BORROWER'S SSN	CO-BORROWER'S SSN	
[REDACTED]		
HOME PHONE NUMBER	MOBILE PHONE NUMBER	OTHER PHONE NUMBER
[REDACTED]	[REDACTED]	[REDACTED]
SUBJECT PROPERTY ADDRESS		
[REDACTED]		

MAILING ADDRESS (IF DIFFERENT FROM ABOVE)

AUTHORIZED REPRESENTATION

AUTHORIZED REPRESENTATION

AUTHORIZED REPRESENTATION

Dear Mortgage Servicer,

This correspondence is meant to serve as my/our personal, written authorization that I/we, the mortgagor(s), regarding the above referenced subject property address, do hereby grant National Servicing Center, and all authorized agents therein, the permission to discuss all current and future matters related to the above mortgage loan number(s).

Moreover, the company's contact information is indicated in the above header for clarification and verification purposes. Please note, that this letter of authorization is set to expire six (6) months from the date signed hereto.

BORROWER'S SIGNATURE DATE


CO-BORROWER'S SIGNATURE DATE

# Exhibit E

ELIGIBILITY CONFIRMATION

To: 

Date: August 3, 2015

Subject: Case ID 

You are confirmed for the following government program, **HAMP** (Home Affordable Modification Program) & **PRP** (Principle Reduction Program)

This Federal Program introduced by the Obama Administration is intended to help stabilize the real estate housing market and help struggling homeowners get relief and avoid FORECLOSURE.

- Not a Re-finance
- This is a restructure of your existing loan
- No Appraisal required
- No credit requirements
- Loan term length remains the same
- Loan servicer remains the same
- Investor remains the same
- Your investor and servicing bank will recoup the loss from your loan restructure from a government TARP fund because you meet the guidelines for this government program.

The **Troubled Asset Relief Program (TARP)** is a program of the United States government to purchase assets and equity from financial institutions to strengthen the financial sector and it is a component of the government's measures to address the subprime mortgage crisis. The TARP program authorized expenditures of \$700 billion.

	Current Loan Payment	New Estimated Payment PITI
Monthly Payment	\$ 1,732.76	\$ 1,193.35

To move forward you will need to make the choice, and not make **AUGUST & SEPTEMBER** mortgage payments to meet the "imminent default" requirement for this program.

The process from beginning to end takes approximately 3-4 months and your estimated program award date is **NOVEMBER 1st 2015**. The following items **MUST** be maintained throughout the process...

- 1 Maintain your financial situation.
- 2 Send updated documents to the processing department in a timely manner (i.e., updated bank statements, paystubs, last 2 years tax returns, hardship letter, etc...).
- 3 3 trial payments, with new payment, to be made on time. Once finalized you will be on a trial payment period with your "new restructured payment" for 3 months. This payment will be due on the 1st of every month with a 15 day grace period. This trial period (3 new payments/3 months) will be required to be made within that time frame to be considered on time.

**What you need to do**

Instead of your normal monthly payments, you must pay the exact amount of your Trial Period Plan payments. In order to receive your permanent loan restructure it is very important that you make your payments on time.

Trial Period Plan			
1st payment:	\$ 1,193.35	estimated due date	11/1/2015
2nd payment:	\$ 1,193.35	estimated due date	12/1/2015
3rd payment:	\$ 1,193.35	estimated due date	1/1/2016

After you make all trial payments on time, this loan restructure will be permanent.

**Carol Simmons**

Senior Underwriter | Legal Processing Department

Home Affordable Government Program

Fax: 866.798.0379

Email : CSimmons@AM-SC.COM

Website : AM-SC.COM



# Exhibit F

Proprietary form used for consumer results

[Redacted]  
[Redacted]  
[Redacted]

Date: [Redacted]  
Loan Number: [Redacted]  
Loan Serviced by: Bank of America  
Time of Review: August 3, 2015

CASE ID #: [Redacted]

10:00 A.M.

**Eligibility Confirmation**

Eligible for: HAMP  
PRP

You meet the following criteria.

- The mortgage cannot have been refinanced under HAMP previously unless it is a Fannie Mae loan that was refinanced under HAMP from March-May, 2009
- The current Debt-to-income(DTI) must be between 31%-65%
- Current DTI is : 45%
- Current loan to value (LTV) is over 80%
- The borrower does not need to be current on the mortgage at the time of the modification (any past due amount will be included in loan restructure.)
- FINALIZED CLOSING COSTS WILL BE IN THE AMOUNT OF \$4,595.00 FOR 1st MORTGAGE. \*with payment options see details below.  
(Legal processing fees & Underwriting)

Eligible for HAMP and PRP modification on 1st lien.

Loan owned by F.M. :	N	Total Loan Balance :	\$ 236,331.07	Loan to Value > 80% :	YES
Loan originated before 2009:	YES	New Interest Rate:	2.0 FIXED RATE	Loan to Value:	126.0%
Appraisal required:	NO	New Principle & Interest:	\$ 688.66	Appraised Value :	\$ 186,317.00
Credit approval required:	NO	Prop. Tax & Insurance:	\$ 504.69	Negative Equity:	\$ (50,014.07)
New Loan Term:	REMAINS SAME	New estimated Payment (PITI):	\$ 1,193.35	PRP Maximum:	\$ 50,014.07

15 YR Savings Chart	Total Monthly Payments PITI	Total 1 YR Payments PITI	Total 5 YR Payments PITI	Total 10 YR Payments PITI	Total 15 YR Payments PITI
Old payment	\$ 1,732.76	\$ 20,793.12	\$ 103,965.60	\$ 207,931.20	\$ 311,896.80
New Modified Payment	\$ 1,193.35	\$ 14,320.20	\$ 71,601.00	\$ 143,202.00	\$ 214,803.00
Total Savings	\$ 539.41	\$ 6,472.92	\$ 32,364.60	\$ 64,729.20	\$ 97,093.80

\*Closing Costs total \$4,595.00 with 3 payment options.

o Closing Costs cannot be added to principle balance due to LTV ratio.

\*Supplemented credit \$1,600.00

o Tier 2 fee schedule.

• Option A, onetime payment \$2,995.00.

• Option B, two payments of \$1,597.50 each 30 days apart for a total of \$3,195.00 (Option B includes \$200 convenience fee).

• Option C, Three payments of \$1,131.67 each 30 days apart for a total of \$3,395.00 (Option C includes \$400 convenience fee).

Borrower

Date

Borrower

Date

This form is required to be submitted to processing as part of submission documents.