



# State of Nevada Department of Business & Industry

## Director's Office

555 East Washington Avenue, Suite 4900  
Las Vegas, Nevada 89101  
Phone (702) 486-2750 | Fax (702) 486-2758  
[business.nv.us](http://business.nv.us)

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**CONTACT:** Elisabeth Daniels, Public Information Officer  
**PHONE:** (702) 486-2756 **E-MAIL:** [edaniels@business.nv.gov](mailto:edaniels@business.nv.gov)

### **As bonding deadline passes, State Mortgage Lending Division moves to close down some loan modification providers**

**Las Vegas** – The Nevada Division of Mortgage Lending is cancelling the authorization to work for approximately 30 loan modification companies who have failed to meet their obligation to obtain a minimum \$75,000 surety bond.

In addition to passing FBI and other background checks, a credit check, and meeting specific educational requirements, AB 152 of the 2009 Nevada Legislature requires loan modification providers to post a minimum \$75,000 surety bond. AB 152 was effective on October 1, 2009. The bond is a provision to protect consumers who may have been harmed by the loan modification provider. Loan modification companies have been previously notified of the bonding requirement.

Those companies now out of compliance with state law will be sent, by certified mail, a cancellation of work authorization. Starting tomorrow, homeowners may view a list of companies that remain authorized to provide loan modification and other covered services, via a link on the home page of the Mortgage Lending Division's website, [www.mld.nv.gov](http://www.mld.nv.gov). The posted list will be updated to add or delete the names of those companies, as appropriate.

Companies whose authorization to conduct loan modification and other covered services has been cancelled have 10 days to close down and cancel their contracts with homeowners. They must also make refunds as provided for in their contracts or transfer the homeowners' contracts and

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funds to approved companies or counselors. The companies must provide documentation that they've closed down as well as made refunds to their customers or transferred their files and funds.

After 10 days, if the Division has not received that documentation, investigators will be sent out to confirm that the cancellation requirements have been met. If necessary, the Division will issue Cease and Desist orders to shut them down, enforced through the Attorney General's office.

*“We will not allow those companies who have not met their legal obligations to operate,”* said Commissioner Joseph Waltuch. *“If consumers are going to pay for loan modification assistance, they must be able to trust that there's recourse if they've been harmed in some way.”*

Commissioner Waltuch advises homeowners who have been working through such companies that they may need to contact their lenders and revoke any authorizations given to the lenders to discuss their loans with such companies. The Commissioner also advises homeowners that the cancellation of the authorization to conduct loan modification activities may also impact their ongoing efforts to have their loans modified, and in some cases might even require the process to start over.

Any consumer who does not receive a refund or file transfer within 10 days, who cannot make contact with their loan modification company, or who feels they've been scammed by a loan modification provider is encouraged to file a complaint with the Division. Complaint forms can be found at [http://mld.nv.gov/NEW\\_FORMS/COMPLAINTFORM\\_MLD.pdf](http://mld.nv.gov/NEW_FORMS/COMPLAINTFORM_MLD.pdf). Consumers can file a complaint regardless of whether the company is authorized to work by the Division or not.

*“We are here to help consumers. Once we receive a complaint, we are strongly committed to taking action against the bad actors whenever we can,”* said Commissioner Waltuch.

For more information about the Division of Mortgage Lending, visit <http://mld.nv.gov/index.htm>.

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