



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
OFFICE OF CONSUMER PROTECTION

## News Release

**NEIL ABERCROMBIE**  
GOVERNOR

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**STATE OBTAINS PRELIMINARY INJUNCTION AGAINST FRANCHA SERVICES, LLC AND EDNA A. FRANCO FOR MORTGAGE RESCUE FRAUD PREVENTION ACT VIOLATIONS**

HONOLULU - The Department of Commerce and Consumer Affairs' (DCCA) Office of Consumer Protection (OCP) has obtained a preliminary injunction against Francha Services, LLC and Edna A. Franco ("Franco") for violations of Hawai'i's Mortgage Rescue Fraud Prevention Act and other consumer protection laws. Maui Circuit Court Judge Rhonda Loo barred Franco from soliciting business from or contacting for any purpose Hawai'i consumers who are owners of "distressed property," continuing to act as "distressed property consultants," and/or engaging in any "distressed property consultant contracts."

Violations of Hawai'i's Mortgage Rescue Fraud Prevention Act and the laws prohibiting unfair and deceptive trade practices subject offending parties to fines ranging from \$500 to \$10,000 per violation.

Act 183, signed into law by Governor Neil Abercrombie on June 28, 2012, now makes violations of the Mortgage Rescue Fraud Prevention Act a class C felony with a mandatory \$10,000 fine.

The injunction, filed on July 25, 2012, also prohibits Franco and her business from directly or indirectly taking, asking for, claiming, demanding, charging, collecting, or receiving any money from any Hawai'i consumers for any purpose until after Franco and her business has fully performed any services that they have contracted or promised to deliver and/or perform.

The suit against Franco and her business was filed in the Circuit Court of the Second Circuit, State of Hawai'i. It alleges that Defendants committed numerous violations of Hawai'i's Mortgage Rescue Fraud Prevention Act which, among other things, prohibits collection of fees before services are performed and requires a written contract spelling out the services and fees to be charged for such services. The suit also alleges Franco's company engaged in a pattern and practice of unfair and deceptive conduct and that Franco actively or passively participated in the violations.

Franco and her business targeted consumers on Maui, O'ahu and Hawai'i Island, offering to save their homes from foreclosure. The homeowners had to pay Franco in advance before she would help them and then did little if anything to complete any of the services she promised.

If members of the public are in default on their mortgage or facing foreclosure, the state has warned that they may be targeted by a mortgage rescue scam. These mortgage rescue "professionals" use half-truths and deceptive tactics to sell services that promise relief to homeowners in distress.

Tips on Avoiding Mortgage Rescue Scams:

If you are looking for foreclosure prevention help, avoid any business that:

- Promises it can stop the foreclosure process, no matter your circumstances
- Instructs you not to contact your lender, lawyer or HUD-approved credit or housing counselor
- Collects a fee before providing any services
- Recommends that you stop making your mortgage payments
- Recommends that you make your mortgage payments directly to it, rather than your lender
- Pressures you to sign papers you haven't had a chance to read thoroughly or that you don't understand

Anyone who believes they have been victimized by a mortgage rescue scam, whether by the above Defendants or any other business, and have not filed a complaint with the State's Office of Consumer Protection may call 587-3222 in Honolulu.

HUD-approved housing counseling agencies in Hawai'i can provide advice on buying a home, renting, defaults, foreclosures, and credit issues for free. If facing foreclosure, members of the public can locate a HUD-approved Hawai'i housing counselor at <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>. They may also call 888-995-HOPE (4673) around-the-clock for free, comprehensive foreclosure assistance from housing experts.

Landon Murata, an OCP staff attorney, represents the OCP in this action.

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