



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Office of Consumer Protection
News Release

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**STATE OBTAINS JUDGMENT AGAINST INDIVIDUAL IN MORTGAGE RESCUE
FRAUD CASE**

HONOLULU – The State Department of Commerce and Consumer Affairs ("DCCA") Office of Consumer Protection ("OCP") on Friday obtained a judgment against Sean Keala Remos ("Remos") and Loan Network Honolulu LLC fka LoanNetwork Honolulu LLC ("Loan Network"). The judgment prohibits Remos and Loan Network from violating Hawaii's consumer protection laws, requires them to pay back consumers and imposes civil penalties of \$10,000.

OCP's lawsuit alleged that Remos acted as distressed property consultant and promised to help distressed homeowners obtain loan modifications. He collected upfront fees from the homeowners and failed to get loan modifications or provide refunds.

"Homeowners should think twice when approached by anyone offering to save their home from foreclosure and asking you for payment upfront. It's generally illegal under state and federal law to charge an upfront fee to save your house from foreclosure," said Bruce Kim, OCP's Executive Director. "You can obtain the same help at no charge by contacting a certified housing counselor. Housing counselors work for non-profit agencies and are trained to help homeowners who find themselves in this situation."

If you are behind on your mortgage or facing foreclosure, you 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.

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

- Promises they 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 or that you don't understand

Violations of Hawaii'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, makes violations of the Mortgage Rescue Fraud Prevention Act a class C felony with a mandatory \$10,000 fine.

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 OCP may call 587-3222.

Certified housing counseling agencies in Hawaii provide advice on defaults, foreclosures and credit issues for free. You can locate a certified Hawaii housing counselor by contacting the Hawaii Foreclosure Information Center at <http://HFIC.Hawaii.gov> or call 587-3222, toll free at 1-800-394-1902. The Hawaii Foreclosure Information Center is a free public information service operated by DCCA.

Lisa Tong, a senior staff attorney at the Office of Consumer Protection, represented the State on the case.

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