



FOR IMMEDIATE RELEASE

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**ATTORNEY GENERAL, U.S. ATTORNEY ANNOUNCE JOINT LAWSUIT, INJUNCTION
TO END NATIONAL FORECLOSURE-RESCUE SCAM**

DENVER — Colorado Attorney General John Suthers and U.S. Attorney John Walsh announced today that they have filed a joint lawsuit against Georgia-based Bella Homes and its principals on suspicion that they ran a nationwide foreclosure-rescue scam between March 2010 and February 2012.

According to the joint lawsuit, filed in U.S. District Court in Denver, Bella Homes preyed on homeowners facing foreclosure by accepting more than \$3 million in fees disguised as “rent” while they did little to actually help homeowners avoid foreclosure. Bella Homes is accused of asking homeowners to give the company the titles to their homes and then to enter into a lease agreement with Bella Homes where they would “rent” their homes while Bella Homes allegedly worked to halt the foreclosure and purchase their mortgages.

According to the complaint, Bella Homes told consumers they would:

- Avoid foreclosure;
- Allow Bella Homes to purchase or settle their mortgages;
- Be protected under federal law from eviction during the terms of the lease agreements;
- Be able to repurchase their homes in three years for 90 percent of its fair market value and receive credit for 60 percent of the rent paid to Bella Homes;
- Enjoy a mortgage payment following their repurchase that is 40 percent to 60 percent lower than previous payments; and
- Not have foreclosures noted on their credit reports.

According to the complaint, the promises made by Bella Homes were false and Bella Homes did not provide any meaningful assistance to homeowners to avoid foreclosure and remain in their homes.

The Office of the Attorney General and the U.S. Attorney's Office received a temporary restraining order against Bella Homes on Feb. 15, 2012. The temporary restraining order barred the company and its principals from engaging in their foreclosure-rescue business and froze Bella Homes' bank accounts. On February 22, 2012, the defendants agreed to a preliminary injunction ceasing further operations and transferring approximately \$500,000 to the government for homeowner restitution, pending final resolution of the case.

“Foreclosure-rescue scams prey on distressed homeowners’ desire to save their homes and to find any means to help fix their dire financial situations,” Suthers said. “As is the case with most loan-modification and foreclosure-rescue operations, consumers who dealt with Bella Homes lost not only the thousands of dollars they paid for ‘help,’ but also their homes.”

“Bella Homes gave false hope to desperate homeowners, taking advantage of their desire to do anything to save their homes,” said U.S. Attorney John Walsh. “Bella Homes’s actions not only hurt those vulnerable homeowners, but the housing market generally. The company will now face the consequences of its misconduct.”

Bella Homes accepted money from more than 450 consumers, including five in Colorado. Bella Homes’ suspected activities affected consumers living in more than two dozen states. According to the complaint, most of the more than \$3 million Bella Homes derived from “rent” payments were diverted to the company’s principals for personal use.

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Suthers encouraged consumers who are facing or in foreclosure to obtain help from [the Colorado Foreclosure Hotline](#) at 1-877-601- 4673 before hiring a private company to try to modify their home loans. If a consumer insists on hiring a private loan modification company, Suthers encouraged consumers to bear in mind:

- It is illegal in Colorado for a loan modification company to charge you an upfront fee. Loan modification companies can only charge you once their services are completed.
- Consumers should be wary of any company that tells you to stop making your loan payments or to stop working with your lender. Failing to make payments could result in a foreclosure.
- Never ignore communication from your lender at the behest of a loan modification firm. Most lenders have loan modification programs that can help you save your home. In some cases, all a borrower has to do is contact his or her lender and provide some current financial information.
- If a company promises to get rid of your debt, they are making a promise they cannot keep.
- Check out any loan modification company you are considering hiring. The [Better Business Bureau](#) maintains ratings of businesses. Any company with an “F” rating should be avoided.

Consumer who believe they have been the victim of a loan-modification or foreclosure-rescue scam should file a complaint via www.coloradoattorneygeneral.gov/complaint. For more information on loan modification companies or other types of foreclosure-rescue firms, visit the Office of the Attorney General’s [Mortgage Fraud Information Center](#).