

Director's Office, 350 Winter St. NE, Room 200, Salem, Oregon 97301-3878

For immediate release:
October 13, 2008

For more information:
Kevin Anselm, 503-947-7498

State warns consumers about lending scam

Applicants must pay up-front loan fee

(Salem) — Oregonians should beware of an ongoing, national scam where potential loan applicants are required to pay an advance fee to obtain their loan but never receive the loan, the Oregon Department of Consumer and Business Services (DCBS) warned today.

People in Oregon, across the country, and in Canada have received e-mails or phone calls from companies offering to loan money for business or personal use. Two businesses purporting to be in Oregon and offering the loans are Oregon Bankers Lending Network and Corporate Bankers of America.

Investigators with DCBS' Division of Finance and Corporate Securities say the con artists either cold-call or e-mail prospective applicants and offer a variety of loans – including business and mortgages – and then, as part of the transaction, request an advance processing or set-up fee that must be wired. Once the fee is sent, the applicant does not hear from the loan company representative again. In reality, the company does not exist and the applicant has been scammed out of the fee. There have been two known individuals victimized by this scam, one in Connecticut and one in California.

“Given the current economic downturn, it is more important than ever to ask questions of and check out the credentials of anyone offering loans,” said David Tatman, administrator of the division. “We urge anyone who has received a solicitation, or who is considering taking out a loan from a company requiring substantial fees in advance, to call us before sending any money.”

The division's toll-free number in Oregon is 1-866-814-9710; the Salem number is 503-378-4140. In addition, the division's Web site features a searchable database that lists those entities or individuals authorized, licensed, or registered by the division to do lending business in Oregon. The address is: www.dfcs.oregon.gov/online.htm.

###

The Division of Finance and Corporate Securities, part of the Department of Consumer & Business Services, helps ensure that a wide range of financial products and services are available to Oregonians, regulates consumer and mortgage lending, and helps protect consumers from financial fraud and abuse. For more information, visit www.dfcs.oregon.gov.

The Department of Consumer and Business Services is Oregon's largest business regulatory and consumer protection agency. For more information, visit www.dcbs.oregon.gov.