

Consumer Protection Unit reaches settlement over foreclosure rescue scam

Scammers ordered to pay thousands in restitution, barred from offering services in Delaware

Attorney General Kathy Jennings announced Tuesday that the Department of Justice's Consumer Protection Unit (CPU) has reached a settlement with two California-based companies requiring them to stop advertising and selling mortgage loan modification and debt relief services in Delaware and to provide restitution to Delaware consumers.

In [the cease and desist agreement](#), CPU alleges that Roosevelt Law Center, P.C. and Miracles for Homeowners Marketing, Inc., and their principals, Thomas Moore and Benjamin Borazghi, operated a foreclosure rescue scam targeting Delaware homeowners. According to CPU, Roosevelt and Miracles targeted Delaware homeowners struggling to make their mortgage payments with over 1,000 deceptive flyers, and collected thousands of dollars in upfront fees from Delawareans who responded. CPU alleges that the "services" purportedly provided by these companies had little or no value, and a number of homeowners ultimately lost their homes to foreclosure.

"People who are trying to save their homes are living through a nightmare, often amid other serious hardships," said Attorney General Jennings. "There are real programs that can offer these homeowners hope, including programs within the Department of Justice, but the ugly truth is that many scammers see opportunity in others' misfortune. My office is here to help homeowners facing foreclosure, and we will not tolerate the despicable scams that prey on our most vulnerable residents."

Under the cease and desist agreement, Roosevelt, Miracles, Moore, and Borazghi are required to pay restitution of \$22,275 to nine Delaware homeowners, in addition to \$70,000 in civil penalties. The agreement also prohibits the companies and their principals from directly or indirectly offering any mortgage loan modification or debt relief services in Delaware going forward.

Common tactics used by foreclosure rescue scammers include “guarantees” to save someone’s home or to secure a loan modification, requests for upfront fees, and misleading statements regarding affiliation with government agencies. Delaware’s Mortgage Loan Modification Services Act makes it unlawful for a mortgage loan modification service provider to collect fees from a homeowner prior to obtaining a modification from the homeowner’s loan servicer. Under the Act, all providers must register with the Delaware Department of Justice, and are required to disclose certain information in their advertising to homeowners.

Homeowners who wish to report a foreclosure rescue scam should contact CPU at (800) 220-5424. Legitimate foreclosure prevention programs are also available through CPU’s Office of Foreclosure Prevention, including Delaware’s Residential Mortgage Foreclosure Mediation Program. More information is available at de.gov/consumer.

CPU’s work in this matter was handled by Deputy Attorney General David Weinstein and former Deputy Attorney General Gillian Andrews, with assistance from Special Investigator Joe Rago and Paralegals Ryan Martin, Kelly Drzymalski, and Shannon Faulk.