



ATTORNEY GENERAL GEORGE JEPSSEN

ATTORNEY GENERAL DEMANDS UNLICENSED COMPANY STOP DEBT NEGOTIATION SERVICES IN CONNECTICUT

For Immediate release

THURSDAY MARCH 17, 2011

HARTFORD – Attorney General George Jepsen is warning consumers that the California companies, Novation Marketing Center and Novation Law Center, are not licensed in Connecticut to provide mortgage loan modification services and are not affiliated with Webster Bank.

Jepsen received reports that the companies contacted Webster Bank customers in Connecticut with mortgage modification offers, falsely suggesting an affiliation with the bank.

Jepsen sent a letter to the Newport Beach companies Wednesday demanding they cease and desist from doing business in Connecticut until they are licensed. He also demanded that the companies provide copies of their advertisements, solicitations and consumer disclosures; to identify and describe all affiliations with Connecticut and national lenders and loan servicers; and to identify all the Connecticut consumers for whom Novation provided any debt negotiation services and whether they had obtained a loan modification for the customer.

“Connecticut law provides specific protections, such as detailed disclosure and no fees up front, for consumers who need help modifying loans or other debt negotiation,” Jepsen said. “The law also prohibits unlicensed companies from doing business in the Connecticut.”

The Department of Banking has regulatory authority over Connecticut’s debt negotiation laws and has been actively pursuing unlicensed negotiators trying to do business in Connecticut.

Jepsen said consumers need to be aware of scams in which unlicensed companies masquerade as affiliates of banks and other financial institutions, when in fact, they have no legal connection or authorization. Webster Bank advised its customers who receive a mortgage workout letter from any company that claims to represent Webster, to contact Webster at 203-741-4877.

Assistant Attorney Generals Jeremy L. Pearlman and Joseph J. Chambers are representing Jepsen in this matter.

More information about foreclosure prevention, loan modification assistance and avoiding scams is available on the Office of the Attorney General website, www.ct.gov/oag.

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