



FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

Court Temporarily Halts Company From Offering Mortgage Relief Services

L.A.-based Defendants Deceptively Pitched Their 'Services' Online and Over the Phone

FOR RELEASE

April 10, 2015

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Continuing to crack down on phony mortgage relief programs, a [federal court has temporarily halted Los Angeles-based Wealth Educators, Inc.](#) and its president from offering mortgage relief services at the Federal Trade Commission's request. The agency charged the defendants with failing to provide the help they promised homeowners, while charging a hefty up-front fee. The company also told consumers to stop making their monthly mortgage payments, leading some facing the prospect of foreclosure.

"It's illegal to charge an up-front fee for the promise of a mortgage modification," said Jessica Rich, Director of the FTC's Bureau of Consumer Protection. "Companies offering such services can't charge a fee until you have an acceptable written offer from your lender or servicer. If they ask for payment first, walk away."

According to the [FTC's complaint](#), since at least October 2012, the Wealth Educators defendants have operated under a variety of names, including Legal Educators USA & Co., Stargate Mutual & Associates, Providence Financial Advocates, and Providence Financial Audits, while selling supposed mortgage relief services to consumers.

The defendants used outbound telemarketing to pitch their programs to consumers. Many of the targeted consumers were homeowners in financial trouble, whom the company promised it could help by lowering their monthly mortgage payment, lowering their mortgage interest rate, or obtaining loan modification or restructuring. The defendants also used websites allegedly set up by Veronica Sesma, the owner and president of Wealth Educators, to advertise the supposed mortgage relief services.

Before providing any services, however, Wealth Educators charged consumers an up-front fee ranging from \$1,000 to \$5,000, promising the money would be fully refunded if the company didn't provide the relief it promised. On its website, Wealth Educators claimed it was "America's Leading Home Preservation Legal Services," saying that they "... act on behalf of homeowners to work with your lender and avoid the lengthy and costly process of foreclosure and the stressful act of eviction that follows...".

Unfortunately, according to the complaint, while Wealth Educators told many consumers they could get them a loan modification, typically through a government-sponsored program, and even quoted a specific amount consumers' mortgage payments would be reduced, the company often did not provide the promised relief services. In addition, the company told consumers to stop communicating with their lenders, delaying them from discovering that Wealth

Educators had not obtained the promised mortgage relief. Finally, while promising a “100% refund” of the service fee if it did not provide the promised mortgage relief services, consumers who tried to get their money back could not do so.

The FTC charged the defendants with violating the FTC Act and the Mortgage Assistance Relief Services (MARS) Rule, now known as Regulation O. The Rule bans mortgage foreclosure rescue and loan modification service providers from collecting fees until homeowners have a written offer from their lender or servicer that they deem acceptable. In filing the complaint, the FTC is seeking an immediate halt to the defendants’ allegedly deceptive conduct, along with an asset freeze to ensure the preservation of funds for possible consumer redress.

Defendants named in the case include: Wealth Educators, Inc., also doing business as (d/b/a) Family 1st Preservations; Family 1st Home Loans; Legal Affiliates & Associates; Legal Educators & Co.; Family 1st Home Preservation; Legal Educators USA & Co.; Stargate Mutual & Associates; Providence Financial Associates; and Providence Financial Audits; as well as Veronica Sesma, also d/b/a Sesma Consulting.

For consumer information about avoiding mortgage and foreclosure rescue scams, see [Home Loans](#).

The Commission vote approving the complaint was 5-0. The U.S. District Court for the Central District of California has entered a temporary restraining order against the defendants.

NOTE: The Commission files a complaint when it has “reason to believe” that the law has been or is being violated and it appears to the Commission that a proceeding is in the public interest. The case will be decided by the court.

The Federal Trade Commission works for consumers to prevent fraudulent, deceptive, and unfair business practices and to provide information to help spot, stop, and avoid them. To file a complaint in English or Spanish, visit the FTC’s online [Complaint Assistant](#) or call 1-877-FTC-HELP (1-877-382-4357). The FTC enters complaints into Consumer Sentinel, a secure, online database available to more than 2,000 civil and criminal law enforcement agencies in the U.S. and abroad. The FTC’s website provides [free information on a variety of consumer topics](#). Like the FTC on [Facebook](#), follow us on [Twitter](#), and [subscribe to press releases](#) for the latest FTC news and resources.

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