



## STATE OF IDAHO

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For Immediate Release  
December 22, 2009

## Settlement Gains Refunds for Idaho Mortgage Modification Victims

(Boise) – Twelve Idaho homeowners who paid a Meridian man, Paul Clarence Aughtry, IV, for mortgage loan modifications will receive refunds totaling \$12,400 as a result of settlement agreements with Attorney General Lawrence Wasden and the Idaho Department of Finance. As a result of the actions, Aughtry is prohibited from engaging in loan modification activities in Idaho.

Aughtry operated International Co-Op LLC and accepted money from several consumers, offering to negotiate mortgage modifications with their loan servicers. Aughtry was not licensed to perform such modifications. He allegedly failed to contact many of the consumers' servicers as promised, and failed to effect the mortgage modifications his clients paid for.

“Companies offering mortgage loan modification services in Idaho are required to be licensed,” said Gavin Gee, director of the Idaho Department of Finance. “The Department of Finance will continue to take action against mortgage loan modification companies that ignore Idaho’s licensing laws and victimize Idaho homeowners.”

The Attorney General and the Department of Finance began their investigation after receiving a complaint from a consumer who paid Aughtry \$1,800 for mortgage modification services that Aughtry never fully performed. The consumer was unaware that Aughtry was not properly licensed or that it was unlawful under the Idaho Residential Mortgages Practices Act for Aughtry to charge the consumer upfront fees for mortgage modification services. The Attorney General and the Department of Finance received additional complaints as the investigation progressed.

“Homeowners with financial difficulties do not need to pay a third party to negotiate a mortgage modification,” Wasden stated. “The services that these so-called mortgage modification companies advertise are available free from housing counselors who understand the programs available to homeowners and who know how to work effectively with servicers.”

Wasden’s office publishes a foreclosure prevention handbook for consumers. [Foreclosure Prevention and Foreclosure Scams: How to Tell the Difference](#) walks consumers through the foreclosure process and provides detailed information about how to receive free assistance with mortgage modification and about current federal programs to assist homeowners facing foreclosure. The manual also describes common foreclosure rescue scams and informs consumers how to identify and avoid foreclosure fraud. The free brochure is available at [www.ag.idaho.gov](http://www.ag.idaho.gov).

A housing counselor in the Attorney General’s Office is also available to facilitate effective communication between homeowners and their mortgage servicers.

This is Attorney General Wasden’s second settlement this year with an Idaho mortgage modification business. Wasden’s office also has lawsuits pending against two mortgage modification businesses and their owners who operated in northern Idaho.

The Idaho Department of Finance provides information on a variety of free foreclosure prevention resources that are available to distressed homeowners. That information can be accessed at: <http://finance.idaho.gov/Mortgage/ForeclosureResources.aspx>.

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*Department of Finance Press Releases and other information can be found on the Internet at <http://finance.idaho.gov> or may be obtained by contacting the Department at: (208) 332-8000 or Idaho toll-free at 1-888-346-3378.*