

Home-loan help agency faces suit

Foreclosure rescue 'unfair, deceptive,' customers say

By David Flaum

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The [Tennessee Home Protection Agency Inc.](#) was the target of lawsuits Tuesday from the Tennessee Attorney General and [Memphis Area Legal Services](#) over the company's foreclosure protection service.

The suits, filed in [Shelby County Chancery Court](#), charged that Memphis-based THPA used "unfair and deceptive acts" in offering and charging for foreclosure rescue plans to consumers. That violated the [Tennessee Consumer Protection Act](#), [Atty. Gen. Robert Cooper](#) charged in his suit.

Since June 2007, Mark Jones, executive director of the firm, and Ted Houston, program director, and the nonprofit firm collected more than \$100,000 from more than 100 people for services they said would help those people avoid having homes foreclosed, Cooper's suit said.

MALS filed suits for six people, charging that the firm collected fees from the clients but did not provide the promised foreclosure prevention services.

Brett Schubert, lawyer for the firm, said Tuesday he hadn't seen any of the suits.

"Tennessee Housing Protection Agency has helped about 200 people save their homes or modify the terms of their loans to prevent foreclosure," he said. "We will defend to the fullest extent of the law to preserve the integrity and reputation of this upstanding business."

The suit by Cooper said neither the firm nor its employees were certified to provide foreclosure counseling.

Although THPA operatives didn't disclose in advertising or first calls from potential clients that they charge fees, consumers have been required to pay \$289 to \$395 to get services. Company documents claim the counseling is free and some of the fees may be deductible as charitable donations, the suit said.

Foreclosure counseling is provided free by a number of area agencies, Cooper's suit

said.

In some cases, THPA -- its acronym is similar and could be confused with [Tennessee Housing Development Agency](#), Cooper charged -- was unable to stop foreclosures as promised. In others, services weren't provided. In some cases, customers didn't get refunds, the suit said.

Cooper asked the court to find that THPA violated the consumer protection law, that it stop practices that violate the law, that it order the firm to make restitution for clients, make it give up profits related to the practices and pay a \$1,000 fine for each violation found.

MALS lawyers asked for an unspecified amount of damages for their clients for intentional and negligent misrepresentation, fraud and violations of the consumer protection law.

Schubert said THPA workers hope they can help every client, but some are beyond the point where their homes can be saved.

"They are very good at what they do, are very ethical and handle their clients in such a fashion," Schubert said.

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