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**Consumer Alert: Advance Fee Schemes
Do Not Pay Advance Fees for Residential Mortgages or Loans**

FICOM has received numerous recent inquiries from consumers about the legitimacy of advance fees requested by persons purporting to provide mortgages or other loans. Please be aware that sections 4 and 5 of the *Business Practices and Consumer Protection Act* prohibit lenders from charging a fee for providing credit unless the fee is deducted from the loan advance. This means that you should not pay fees in advance of a loan even if they are described as an application fee, security deposit, first month's payment or an insurance fee.

Some consumers who pay advance fees for mortgages or other loans do not receive the loan proceeds that they were promised. This fraud is commonly referred to as an "Advance Fee Scheme". Advance fee schemers typically advertise through a website. They will utilize a fictional address and have no legitimate contact information, other than a temporary e-mail address or a telephone number. They will have no legitimate corporate structure. The names of their organizations will often incorporate the names of other reputable businesses. Schemers will convince borrowers to send money to a person and not a corporation through untraceable money transfer services, such as Western Union.

In addition, the schemers may collect sensitive financial information from consumers, including social insurance numbers, and they may use this information or sell it to others for the purposes of identity theft.

If you are concerned about the legitimacy of a mortgage or personal loan lender, please contact: FICOM at 604 953-5300; your local Better Business Bureau; or the Business Practices and Consumer Protection Authority at 604 320-1667 or toll free at 1 (888) 564-9963. In addition, you can report fraudulent schemes to your local police or to Project Phonebusters at 1 (888) 495-8501.