

FRAUD ADVISORY

Mortgage regulators issue warning on phony promises to boost credit scores

LAS VEGAS -- Nevada's state Mortgage Lending Division (MLD) has issued an alert to consumers and the real estate and mortgage industries regarding fraudulent and deceptive practices on behalf of companies representing they can boost credit scores.

This month, MLD began receiving information from mortgage brokers and lenders that had been contacted by a company—Trader's Cooperative, Inc.—that provides fictitious credit lines to boost credit scores for a fee. The service allows a person or company to “purchase credit lines that can be verified” to boost credit scores and increase the success of obtaining credit that may otherwise be denied.

The company offers a network of individuals and businesses with prime credit that have joined together to benefit clients. The company represents, “With our Seasoned Trade Lines, you can instantly have established, reported seasoned credit lines with ongoing timely payments, and well calculated balance to credit limit factors to verify to future creditors that you are not a high risk candidate.” The network allows clients to be added as authorized users in order to share credit history of the Primary Card Holders in order to boost credit scores. The company alleges to help their clients raise their credit score by 100 points or more in a very short amount of time.

Mortgage Lending Commissioner Scott Bice cautions consumers to not fall prey to companies claiming to provide these services for a fee. Consumers, brokers and lenders that complete, submit or participate in the completion and submission of an application for credit that contains misrepresentations or false information are subject to administrative action and potential criminal penalties by the state.