



San Diego City Attorney Jan I. Goldsmith

NEWS RELEASE

FOR IMMEDIATE RELEASE: March 1, 2012

Contact: Gina Coburn, Communications Director: (619) 533-6181 gcoburn@sandiego.gov

Business Owner Pleads Guilty to Illegal Loan Modification *City Attorney's Office seeks homeowners who paid Coastal Home Solutions up-front fees*

San Diego, CA: When a San Diego homeowner signed up with *Coastal Home Solutions* to help modify her mortgage—she had to sign a contract to pay money up-front. Such fees are illegal under California law.

Yvette Mercado, owner of *Coastal Home Solutions*, pleaded guilty in San Diego Superior Court yesterday to illegally taking up-front fees in connection with a home loan modification. Mercado was sentenced to probation for three years and ordered to pay a \$1,000 fine, perform 15 days of public work service, and pay \$1,850 in restitution to the known victim of the crime. As part of a plea agreement, the defendant must also repay homeowners who paid up-front monies for home loan modifications to *Coastal Home Solutions*. The businesses were run out of an office located at 4420 Rainier Avenue in San Diego.

The San Diego City Attorney's Office filed charges against Mercado last year after a victim came forward who paid \$1,850 for loan modification services. The homeowner never received a new loan.

“Unfortunately in this economy, certain businesses are willing to skirt the law in order to make quick money,” said City Attorney Jan Goldsmith. “The fact is, up-front fees for loan modifications are illegal, and my office will continue to aggressively prosecute those individuals who seek to take advantage of homeowners,” added Goldsmith.

Homeowners who believe they are victims of *Coastal Home Solutions* are urged to file a claim with the City Attorney's Office **immediately** by calling the City Attorney's Help Line at (619) 533-5600. The City Attorney's Consumer & Environmental Protection Unit prosecutes violations of law that arise from consumer transactions or actions that damage the environment. CEPU also investigates complaints of false or misleading advertising.

###