

# STATE OF NEBRASKA

---



Dave Heineman  
Governor

## DEPARTMENT OF BANKING AND FINANCE

**John Munn**

*Director*

Commerce Court, Suite 400  
1230 'O' Street  
Lincoln, Nebraska 68508-1402

**DATE:** August 29, 2008

**CONTACT:** Patricia A. Saldana-Neumann, Public Information Officer  
Nebraska Department of Banking & Finance

**FOR IMMEDIATE RELEASE**

**PHONE:** 402-471-3222      **Email:** pat.saldana@nebraska.gov

## NEWS MEDIA ALERT

### Officials Warn Consumers about Online Lending Fraud

Lincoln, Neb., August 29, 2008 – The Nebraska Department of Banking and Finance is warning consumers about an apparent online lending fraud involving an Internet-based lender, USA Financial Center, which listed its address as 1033 O Street, Suite 600, in Lincoln, Ne. The Department has verified that the company was not licensed and does not have an office at that location. The address provided by the company was in fact that of a Nebraska state agency. USA Financial Center claims to offer personal loans in varying amounts for substantial advance fees for securing a loan.

In a complaint filed with the Department, a resident of Arizona stated that the lender had advertised in her local newspaper. The complainant completed an online application, was informed that the loan was approved and was required to pay an advance fee of about \$682 prior to securing the loan. The complainant wired the money to a Canadian address and has not received the loan, nor has the advance fee been returned. The company's Website, [www.usafc.net](http://www.usafc.net), is no longer in operation and attempts to reach the company by telephone were unsuccessful.

Any person who has done business with USA Financial Center and who wishes to file a complaint can contact the Department, the Federal Trade Commission, or PhoneBusters. Phonebusters is the central agency in Canada that collects information on telemarketing, advance fee fraud and identity theft complaints. The toll-free consumer telephone numbers and Websites addresses are:

- MORE -

- Nebraska Department of Banking and Finance, 877-471-3445, [www.ndbf.org](http://www.ndbf.org)
- Federal Trade Commission, 877-FTC-HELP, [www.ftc.gov](http://www.ftc.gov)
- PhoneBusters, 888-495-8501, [www.phonebusters.com](http://www.phonebusters.com)

The Department strongly cautions consumers about doing business with Internet-based lenders and recommends investigating a company before seeking a loan from an entity with which they are unfamiliar. It is a common tactic for fraudulent lenders to claim residence in a state and/or appropriate the name of a legitimate business. Some online lenders attempt to bypass state laws and state licensing requirements. Fraudulent online lenders frequently move Websites to new addresses, change contact telephone numbers and give false addresses.

The Department offers these tips when using the Internet to find a lender:

- Do not pay for the promise of a loan. It is illegal for companies doing business in Nebraska to promise you a loan and ask you to pay for it before they deliver.
- Legitimate lenders never guarantee or say that you will receive a loan before you apply, before they have checked out your credit status, or contacted your references, especially if you have bad credit or no credit record.
- Do not give your credit card, bank account, or Social Security number over the telephone, by fax, or via the Internet unless you are familiar with the company and know why the information is necessary.
- If you are offered a loan, do not send money by wire transfer, or send a money order to obtain a loan. Legitimate lenders will not pressure you to wire funds or send money in advance of a loan.
- If you are not absolutely sure who you are dealing with, get the company's number from the telephone book or from directory assistance, and call it to make sure you know with whom you are dealing. Sometimes scammers pretend to be another legitimate company. Take some time to find out if the company really does exist and whether or not it is valid and reputable.

####