

FOR IMMEDIATE RELEASE

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**Nebraska Department of Banking and Finance
Warns Consumers About Two Online Loan Companies**

Lincoln, Neb., Sept. 7, 2010 – The Nebraska Department of Banking and Finance is warning Nebraska residents about two Internet-based companies offering personal loans to consumers. Barstow Brokers claims to be based at 11110 Fort Street, Suite 201, Omaha, Nebraska, and 1st Liberty Financial Corporation lists its address as 2900 South 70th Street, Suite 200, Lincoln, Nebraska. The Department has verified that the companies do not have offices at the addresses listed. Both companies require potential borrowers to pay fees between \$200 and \$1,500 in advance of funding any loan. The Department urges consumers to exercise extreme caution when completing online loan applications which require personal information. Money is often not the only thing scammers are seeking; many are after personal information. With the application, the scammer has access to a consumer's Social Security number, credit card numbers, and bank account information.

Before doing business with a company which offers to provide or assist in obtaining a loan, the Department recommends the following precautions:

1. Contact the Department to inquire regarding the company's compliance with Nebraska law. Online lenders often attempt to bypass state laws and avoid complying with state licensing requirements.
2. Nebraska law prohibits lenders and loan brokers from collecting fees prior to closing a loan. This prohibition does not apply to financial institutions and lenders which are licensed by the state. You should not do business with a company which requires a would-be borrower to send fees or make advance payment on the money they want to borrow.

Other warning signs of lending fraud are being asked to wire the money, particularly if the wire is to an address outside the United States, and promises of low rates or instant approvals which entice consumers to apply.

Report loan scams to the Nebraska Department of Banking and Finance by calling the NDBF Consumer Hotline toll free at (877) 471-3445 in Nebraska, or (402) 471-3445 out of state, or by visiting the Department's Website at www.ndbf.ne.gov and completing a complaint form. Consumers may also contact the Federal Trade Commission at 1-877-FTC-HELP (1-877-382-4357) to file a complaint. Before doing business with a company online, consumers should check the license status of the company on the Department's Website or by calling the consumer hotline.

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