

BETTER BUSINESS BUREAU OF MAINLAND B.C. CONSUMER RELEASE

August 27, 2007

BEWARE OF BOGUS LOAN BROKERS

VANCOUVER: Your Better Business Bureau is warning consumers about a loan scheme targeting residents from BC, Manitoba, and Alberta. There have been reports that advertisements have been placed in newspapers offering loans for a fee in advance by a company disguising itself as Power-Can Financial Services Inc. Power-Can Financial Services Inc. is a legitimate Ontario mortgage broker and member of the Better Business Bureau of Mid-Western & Central Ontario. Power-Can Financial Services Inc. does not arrange personal loans nor request a fee in order for consumers to obtain this service.

Consumers calling the toll-free numbers, 1 (888) 802-2121 or 1 (866) 649-6581, in the ad are asked to provide their Social Insurance Number, driver's license number, and a 'user fee' as part of the credit application. The information and user fee requested vary in each call.

Your BBB advises that it is illegal for a company to charge a fee in advance to obtain a loan, even if that fee is disguised as the first or last month's payment, security, or insurance. Victims of advance fee loan schemes who have sent money to process a loan have not received the loan as promised. Although legitimate lenders may charge a fee, the fee is deducted from the loan amount. You should never have to pay a fee in order to obtain or apply for financing.

"Bogus loan brokers are out there posing as legitimate ones," warns Lynda Pasacreta, president of BBB of Mainland BC, "so protect yourself by doing your research and taking precaution with whom and how you give your personal and financial information."

Advance fee schemers commonly have no real office address but a mail drop or postal box address. Schemers direct consumers to send the fee elsewhere through money transfer services. These schemers make illegal use of the names, logos, and/or addresses of reputable financial institutions or organizations that have no affiliation or connection with the fraudulent operation. Thus, the address turns out to be phony or non-existent, the loan is never provided and the applicant never recovers the money sent. The applicant also risks identity theft if personal information is provided to a con artist.

"We are very concerned with the number of calls we have had from all over Vancouver Island, where consumers believe it is okay for lenders to charge a fee in advance of receiving a loan," says Mayo McDonough, executive director of BBB of Vancouver Island.

Your Better Business Bureau offer the following points to consider before responding to ads promising guaranteed loans:

- Legitimate loan brokers do not 'guarantee' a loan request (especially if you have bad credit, no credit, or a bankruptcy)
- Don't be pressured to act immediately

- If you are asked to pay an up-front fee before you can have a loan offer confirmed in writing, don't do it
- Don't give your personal or financial information such as your bank account information, credit card number, passwords, etc., over the phone or the internet unless you are familiar with the company and why this information is requested

Your Better Business Bureau strongly urges individuals to report any suspected fraudulent schemes to their local police or to Project Phonebusters at 1 (888) 495-8501. Victims of bogus loan brokers are encouraged to file a complaint with the BBB. While the chance of recovering the payment fee is minimal, victims can provide information to help BBBs warn consumers and assist government investigations.

Consumers seeking financing are urged to seek credit locally and check with the BBB first. In addition, there are non-profit organizations with trained credit counsellors who can assist individuals with debt problems. Contact your Better Business Bureau for tips on selecting a trustworthy credit counselling organization. For more information regarding advance fee loan schemes, visit www.bbbvan.org.

For more information, please contact:

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- OR -

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