

Oregon Department of Justice Attorney General John Kroger

[Oregon DOJ Home](#) | [Media](#) | [Current Releases](#) | October 15, 2009 Media Release

INDICTED MORTGAGE BROKER HELD ON \$500,000 BAIL

October 15, 2009

First criminal case to be prosecuted by the Attorney General's Mortgage Fraud Task Force

A Salem mortgage broker was taken into custody today on charges of mortgage fraud, aggravated theft, forgery and identity theft. It is the first criminal case to be prosecuted by the Attorney General's Mortgage Fraud Task Force.

"Fighting mortgage fraud is one of my top priorities," said Attorney General John Kroger. "Our Mortgage Fraud Task Force will aggressively pursue cases like this one."

Julian James Ruiz III, 38, is the manager and owner of American Home Modifications, a Salem-based loan modification company. He was indicted in September on 17 counts of first degree aggravated theft, mortgage fraud, identity theft, aggravated identity theft, forgery in the first degree and criminal possession of a forged instrument in the first degree. After his arraignment today, Marion County Judge Gale Rieder ordered him held on \$500,000 bail. Ruiz's next court appearance is a bail hearing set for October 21, 2009, at 10:30 a.m. at the Marion County Courthouse Annex.

When Attorney General Kroger took office in January, the Oregon Department of Justice had no attorneys dedicated to prosecuting mortgage fraud. Kroger created a new Mortgage Fraud Task force that has opened more than a dozen mortgage fraud and foreclosure scam investigations.

The Ruiz investigation involved the Oregon Department of Justice's Financial Fraud and Criminal Justice sections, the state Division of Finance and Corporate Securities, the Salem Police Department and the Marion County District Attorney's Office.

Assistant Attorneys General Simon Whang and Janelle Wipper are prosecuting the case for the Department of Justice.

All people accused of crimes are innocent until proven guilty beyond a reasonable doubt in a court of law. In light of the accusations, loan modification customers of Julian Ruiz or his current UMAX mortgage business may wish to consult with a HUD-approved counselor to avoid pending foreclosure or defaults. Consumers can call 800-SAFENET or 800-723-3638 to find a counselor, including Spanish-speaking counselors, at: <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=OR>.

Further foreclosure prevention information can be found at the Division of Finance and Corporate Securities website: <http://www.dfcs.oregon.gov/ml/foreclosure.html>

Additional information is available at the Department Justice website: http://www.doj.state.or.us/finfraud/mortgage_fraud.shtml .

Mortgage fraud prosecution is part of a comprehensive strategy by the Department of Justice, the Department of Consumer and Business Services, the Oregon Legislature and consumer groups to fight the foreclosure crisis. A key component of that effort is SB 628, sponsored by Sen. Suzanne Bonamici (D-Portland) in the 2009 Legislative Session. The bill, which went into effect Sept. 28, institutes a series of protections for

homeowners who are facing foreclosure. The measure requires lenders to meet with borrowers facing foreclosure – either in person or by phone – and evaluate whether they qualify for a loan modification.

The Department of Justice, the Department of Consumer and Business Services and Oregon Housing and Community Services have connected homeowners with foreclosure counselors by securing funding for nonprofit organizations that are certified by HUD. Homeowners can call 1-800-SAFENET or log onto <http://www.211info.org> to find a counselor in their area.

Funding for the foreclosure counseling comes from the Department of Justice's mortgage fraud settlement with Countrywide.

The agencies organized Oregon's first Homeownership Preservation Event (HOPE) in Portland last May for homeowners to meet with counselors, lenders, and attorneys and attend workshops on foreclosure prevention. The next event is scheduled for Saturday, Oct. 17 in Medford, at the RCC/SOU Higher Education Center. To register, go to <http://www.access-inc.org> or call 541-774-4305.

Attorney General John Kroger leads the Oregon Department of Justice. The Department's mission is to fight crime and fraud, protect the environment, improve child welfare, and defend the rights of all Oregonians.

Contact:

Tony Green, (503) 378-6002 tony.green@doj.state.or.us