



Consumer Alert

August 27, 2009

The Tennessee Department of Financial Institutions has received a number of telephone calls and formal consumer complaints concerning a company named Cumberland Lending Services (“Cumberland Lending”). Cumberland Lending alleges that they are located at 1407 Union Avenue in Memphis, Tennessee. The Department has confirmed Cumberland Lending is not located at the address being provided to consumers and they are not licensed or a registered lender with this Department.

The consumers who have called about Cumberland Lending allege that they have been asked to send money to Cumberland Lending in order to receive a loan. These types of loans are known as advance fee loans. Lending institutions that offer advance fee loans will typically ask, or require that an advance payment referenced as either a collateral or securitization payment be paid to the lender prior to the receipt of the loan proceeds. Many times, when the advance funds are sent to the lender, the borrower ends up being out this money and they never receive the proposed loan proceeds.

These companies tend to advertise in small, community newspapers or over the Internet. Their advertisements typically promote that they can assist consumers with impaired credit ratings.

The Department would like to offer the following tips concerning this type of loan:

1. Please check to ensure that any company that you are considering entering into a loan transaction is licensed, or a registered lender with this Department. As a reference, you can use the link for “Listing of Regulated Entities” found on the Department’s Internet home page at www.tn.gov/tdfi to check on the status of financial and lending institutions that operate in the state of Tennessee.
2. Be suspicious of any personal loan lender that requests upfront payments prior to entering into the loan transaction.
3. If requests for advance fees are asked to be sent to an address other than the location where the entity reports to be located, this could be a warning sign of potential fraud, or scam activity.



If you feel that you may have been a victim of a potential advance fee loan fraud, please contact the Federal Trade Commission at 1-877-382-4357 (1-877-FTC-HELP), or online at www.ftc.gov. You can also register a complaint with the Internet Fraud Complaint Center at www.ic3.gov.

Additionally, you may want to advise your state's banking or loan regulatory office. You can search for the listing in your area using the link provided by the Conference of State Banking Supervisors at:

http://www.csbs.org/AM/Template.cfm?Section=State_Banking_Departments&Template=/CustomSource/Directory/State_Department.cfm

