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Homebuyers File Complaints Against Nation's Largest Corporate Homebuilder Alleging Deceptive Practices

Pulte Homes Buyers Urge Nevada Attorney General to Take Action for Alleged Violation of Consumer Protection Law

Las Vegas, NV (September 24, 2009) – Nevada homebuyers today called on the Nevada Attorney General to take action on complaints of deceptive sales and lending practices by Pulte Homes Corp., the nation's largest corporate homebuilder, and by several other builders. Eighteen homebuyers have filed complaints alleging false statements and concealing of important information in violation of Nevada's consumer protection law.

The complaints highlight the role corporate homebuilders played in the housing boom, bubble and bust that led to America's economic crisis. Pulte and other builders misled homebuyers about the deals they were getting and pushed them into unfair and deceptive mortgages, all the while continuing to buy land and build homes despite clear signs that the housing market was unsustainable.

Constance Consentino, one of the homebuyers filing complaints, purchased a Pulte home in Las Vegas in 2007 with a 20-percent downpayment and a good credit score. According to the complaint, Pulte inflated the home price, used incentives to steer the Consentinos to Pulte's lending affiliate and failed to disclose important mortgage terms, particularly that their interest rate could increase after seven years.

"Our interest rate will soon nearly double while our home has lost more than a quarter of its value," said Consentino. "Now in our seventies, my husband and I are worried about our future at a time when we should be enjoying retirement. Pulte shouldn't put people in this position."

The homebuyer complaints allege that Pulte and others used in-house appraisals to inflate home values by tens of thousands, disguised second mortgages and adjustable rate mortgages, made false promises of refinancing and pushed risky mortgages on buyers who did not understand the terms and could have qualified for better loans. The complaints also show that corporate homebuilders targeted Spanish speaking homebuyers who did not read or write English.

"The company's salespeople spoke to us in Spanish and seemed very happy to do so but when it came time to sign documents, Spanish speaking representatives were nowhere to be found," said Alvaro Saavedra, one of the homebuyers who filed a complaint.

The homebuyers issued their call for action at a press conference organized by the Alliance for Homebuyer Justice, a project of LIUNA – the Laborers' International Union of North America – which represents workers in the construction industry.

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The half million members of LIUNA – the Laborers' International Union of North America – are on the forefront of the construction industry, a powerhouse of workers who are proud to build America.