

# **FRAUD ALERT!**

## **Foreclosure Rescue Scams**

The housing market in the United States may not be thriving but foreclosure rescue and loan modification scammers business is at an all time high. According to a report released in July, 2010 by the US Government Accountability Office (GAO), "...the current foreclosure crisis has provided persons who may perpetrate mortgage foreclosure rescue and loan modification schemes with unprecedented opportunities to profit from homeowners desperate to save their homes." It was also reported by the GAO that the foreclosure rates are at its highest in 29 years.

What does this mean for people who are struggling with the frightening possibility of losing their home to foreclosure? It means that everyone needs to be aware of the reality that there are scam artists waiting to prey on the vulnerability of desperate homeowners, and this is equally frightening. According to the Federal Trade Commission (FTC), there are plenty of foreclosure rescue companies or foreclosure assistance firms who are not legitimate. These so-called companies swoop in during a person's time of need and make claims varying from promises to save your home to actually offering a money-back guarantee as a way to gain an unsuspecting and uninformed homeowner in crisis trust. In most instances, these promises not only go unfulfilled, but most people end up in an even worse financial situation because the company has gotten your money and they are gone, leaving you with the same problem of foreclosure and worse. The FTC reports that these "rescue" professionals use half truths and outright lies in order to sell consumers a service that promises relief but in the end, that relief never comes. The goal is a quick profit on the backs of the homeowner who is in financial crisis. This is done through collection of fees or mortgage payments from the homeowner but this money is not passed along to the lender. Sometimes, these companies assume ownership of the property through deception of the homeowner. Once it's too late to save the home, the "rescue" company takes the property or siphons off the equity. The end result is that you have lost your home to foreclosure, despite the promises made by the company who was supposedly helping you.

According to the FTC, if you are looking for foreclosure prevention help avoid any business that;

- Guarantees to stop the process-no matter what your circumstances
- Instructs you to NOT contact your lender, lawyer, or credit/housing counselor
- Collects a fee before providing any service
- Accepts payment only by cashier's check or wire transfer
- Encourages you to lease your home so you can buy it back over time
- Tells you to make mortgage payments directly to them, rather than your lender
- Offers to fill out paperwork for you
- Pressures you to sign paperwork you haven't had a chance to read thoroughly or don't understand
- Tells you to transfer your deed or title to it
- Offers to buy your house for cash at a fixed price that is not set by the housing market at the time of sale

If you are having trouble paying your mortgage or if you have received a foreclosure notice, contact your lender *immediately*. If you think you have been a victim of foreclosure fraud or want to prevent this, contact the Federal Trade Commission (1-877-382-4357), your state Attorney General and your local Better Business Bureau.

### **BUCKS COUNTY CRIMES AGAINST OLDER ADULTS TASK FORCE**

**Bucks County District Attorney's Office**

215-348-6344

**Bucks County Area Agency on Aging**

215-348-0510

**Bucks County Coroner's Office**

215-348-3852

**Network of Victim Assistance (NOVA)**

1-800-675-6900

**A Woman's Place (AWP)**

1-800-220-8116

**Bucks County Office of Consumer Protection**

215-348-6060

**Bucks County Register of Wills**

215-348-6265

**US Dept. of Health and Human Services**

**Investigations, Office of the Inspector General**

**[www.crimesagainstolderadultsbucks.org](http://www.crimesagainstolderadultsbucks.org)**

**24 - HOUR HOTLINE: 1-800-490-8505**