

Foreclosure Rescue Scams: Your Housing Crisis Goes From Bad to Worse!

FAIR HOUSING HIGHLIGHT #38

Homeowners in risk of foreclosure have a new foe to fend against – foreclosure rescue scams. These scams offer a quick fix for your housing situation, but often leave you worse off than before. While they range in method and complexity, most scams end with the same result – you losing your money, your home, or both!

My mortgage lender has filed for foreclosure against me. Why have I been getting mail and calls from other companies offering me assistance?

When a mortgage lender begins the foreclosure process with a homeowner and files documents, those documents become part of the public record. Companies looking to take advantage of your desperation can use that public record to get your information and contact you with daily calls and letters. It is good practice to be cautious about accepting help from ANYONE that contacts YOU!

What do foreclosure scams usually look like?

Foreclosure scams often offer to solve your housing crisis quickly and easily, and can vary in type. Some scams simply look to take your money. For example, a scammer offers to speak to your lender for a fee, or tells you they will assist you if you send your mortgage payments to them instead of your lender, and then takes off with your money. Other scams aim to take your home. For example, a scammer puts a pile of papers in front of you and convinces you to unknowingly sign away the deed to your home, or convinces you to temporarily sign over your title and pay the new owner rent. The new owner takes your home equity and rent money and allows the new loan to default. In all cases, the scammer's quick and easy fix will leave you worse off than before.

I think the person who has offered me assistance might be a scammer. Are there any signs that I should look for?

First and foremost, you should be wary of any person or company that contacts you to offer help. You should also watch out for anyone who guarantees to stop the foreclosure process or offers an easy way out. Other signs include anyone who advises you NOT to contact your lender or lawyer, collects fees before services or only accepts fees in cashier's checks, pressures you to sign papers you haven't read or don't understand, offers to fill out paperwork for you, or offers to buy your home and allow you to stay and rent.

I think I've been a victim of a foreclosure rescue scam. Who should I contact?

If you feel you've been victimized by a foreclosure rescue scam, you should contact the Federal Trade Commission at 1-877-FTC-HELP (382-4357); TTY: 1-866-653-4261, or your state Attorney General's office.

I am having trouble paying my mortgage and I don't want to be a victim of a scam. Who should I call for assistance with my mortgage payments?

You should first attempt to call your lender. It is in a lender's best interest that you pay your mortgage and they can often offer options or information about foreclosure prevention. If you can't figure out who your lender is, or you want more information about foreclosure prevention, you can also contact a reputable credit counselor from HOPE NOW at 1-888-995-HOPE (4673). For local assistance, you can contact the Don't Borrow Trouble Campaign at 888-275-8843.

DON'T DELAY! AVAILABLE HELP WORKS BEST FOR HOMEOWNERS WHO CALL AS SOON AS THEY FORESEE TROUBLE, NOT AFTER THEY'VE RECEIVED A FORECLOSURE NOTICE!

**Questions? Call the Fair Housing Rights Center in Southeastern Pennsylvania at 215 576-7711
or visit us online at www.fairhousingrights.org.**