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HUD OIG WARNS OF MORTGAGE SCAMMERS

Washington — Today, in a press conference with the Department of Justice, the HUD OIG warns the American public to beware of mortgage scam operations. As part of the work under the Financial Fraud Enforcement Task Force (FFETF), HUD OIG is partnering with other law enforcement agencies to investigate companies and individuals preying on distressed homeowners seeking foreclosure rescue or loan modification.

The FFETF's Mortgage Fraud Working Group is co-chaired by HUD Inspector General David A. Montoya. HUD OIG is looking to ferret out companies misusing HUD's and the Federal Housing Administration's (FHA) name and Intellectual Property (IP) to further schemes. Consumer complaints indicate that scammers misuse HUD and FHA IP to target vulnerable victims, particularly those facing foreclosure, and/or those seeking loan modification services. In these scenarios, scammers advertise themselves as being affiliated with HUD and FHA. They typically accept advance fees for services never rendered; as a result, the homeowner defaults on their mortgage, in some instances an FHA loan, and foreclosure proceedings ensue leaving the borrower empty-handed.

A distressed homeowner, who pays his or her last \$1,000-3,000 to one of these companies, has an increased risk of foreclosure. Furthermore, depleting the borrower's financial resources and leaving them with nothing.

“When scammers misuse HUD and FHA Intellectual Property to target vulnerable victims, we all lose. Attacking the problem from every possible angle in cooperation with our federal, state and local partners is critical. These schemes are dangerous to our communities and our economy,” said David A. Montoya, HUD Inspector General.

If you're concerned that you or someone you know has been a victim of a fraud affecting your FHA mortgage, contact the HUD-OIG at:

1-800-347-3735 or

<http://www.hudoig.gov/hotline/index.php>

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U. S. Department of Housing and Urban Development
Office of Inspector General