

U.S. Department of Housing and Urban Development

**Toolkit On
Foreclosure Prevention
& Scam Awareness
For
Faith-Based And Community
Organizations**



**Center for Faith-Based and
Neighborhood Partnerships**



Shaun Donovan

Secretary

A message from Secretary Shaun Donovan:

HUD needs your assistance to raise awareness in your community about help from foreclosure prevention programs and the dangers of scams. The Obama Administration is fighting mortgage fraud and predatory practices vigorously – providing millions of dollars in federal resources and working to get the word out about those who prey on vulnerable homeowners. As important as that commitment is, it is no substitute for the valuable relationships faith-based and community organizations have with families in the community. They know you. They trust you. They respect you -- and so does HUD. Like few others, you can speak one-on-one to homeowners at risk of foreclosure or of becoming victims in a foreclosure rescue scam.

That's why we are providing this important information. The Toolkit on Foreclosure Prevention and Scam Awareness for Faith-Based and Community Organizations is intended as a guide to provide your church or non-profit with ideas to help you raise community awareness. One of the best ways to do this is to publicize the information in newsletters, brochures, pamphlets or even by hosting community-wide informational workshops. Additionally, a CD is included which highlights government internet web pages and allows you to click the links for easy access to these valuable and informative resources in multiple languages.

Whether as faith leaders or community partners, you are the ones we turn to in times of need. You are the ones with long-standing reputations in our communities for ensuring that the concerns of our most vulnerable citizens do not fall on deaf ears. And so I hope you will take advantage of this Toolkit to help us reach as many families as possible. With your help, I have no doubt we can make a difference.

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FORECLOSURE

SCAMS

sale

What You Can Do For Members of Your Community

Ideas on how you can inform members of your community about Foreclosure Prevention and Scam Awareness:

- ◆ Distribute brochures, pamphlets or flyers at meetings, gatherings, and church services.

A full list of Government resources can be found in the Resources Section of this Guide/Toolkit.

- **HUD Tips for Avoiding Foreclosure:**

- http://portal.hud.gov/portal/page/portal/HUD/topics/avoiding_foreclosure/foreclosuret看ips

- **HUD's How to Avoid Foreclosure:**

- <http://www.hud.gov/offices/adm/hudclips/forms/files/pa426h.pdf>

- **FDIC Beware of Foreclosure Rescue and Loan Modification Scams:**

- <http://www.fdic.gov/consumers/loans/prevention/rescue/images/foreclosurescam.pdf>

- **OCC Consumer Advisory:**

- <http://www.occ.treas.gov/ftp/ADVISORY/2009-1.pdf>

- ◆ Publicize and promote the brochures and pamphlets in your church or organization's office reception area, newsletters, bulletins and church weekly announcements
- ◆ Order free materials (brochures, flyers and pamphlets) in English and Spanish from government agencies (see Resources Section)

- ◆ Promote homeowner events in your area:
 - **Making Home Affordable events:**
http://www.makinghomeaffordable.gov/homeowner_events.html
 - **Hope Now events:**
<https://www.hopenow.com/upcoming-events.php>
- ◆ Advertise by posting a web hyperlink to the Making Home Affordable or Hope Now website on your church or organization's website

Ideas on how you can enlist other church and non-profit leaders in your community to raise awareness:

- ◆ Publicize and promote this Toolkit to your church ministry leaders, organization department heads, or at community leaders meetings
- ◆ Organize an informational workshop for members of your church or community by partnering with a local city or county government Foreclosure Prevention program, the local HUD office, a Housing Counseling Agency and/or other Federal Agency (see Resources Section)
- ◆ Seek out your local city or county government's law enforcement office and make them aware if your members have been victimized and or approached by scammers
- ◆ Call your local or closest HUD Field Office (www.hud.gov) to assist you in gathering additional resources and information

FORECLOSURE 15

PREVENTION

10 Tips for Avoiding Foreclosure

Are you having trouble keeping up with your mortgage payments?

Have you received a notice from your lender asking you to contact them?

1 Don't ignore the problem. The further behind you become, the harder it will be to reinstate your loan and the more likely that you will lose your house.

2 Contact your lender as soon as you realize that you have a problem. Lenders do not want your house and want to work with you to resolve the problem.

3 Open and respond to all mail from your lender. Your failure to open the mail will not be an excuse in foreclosure court.

4 Know your mortgage rights. Find your loan documents and read them so you know what your lender may do if you can't make your payments.

5 Understand foreclosure prevention options. Valuable information about foreclosure prevention (also called loss mitigation) options can be found on the internet at www.hud.gov/foreclosure.

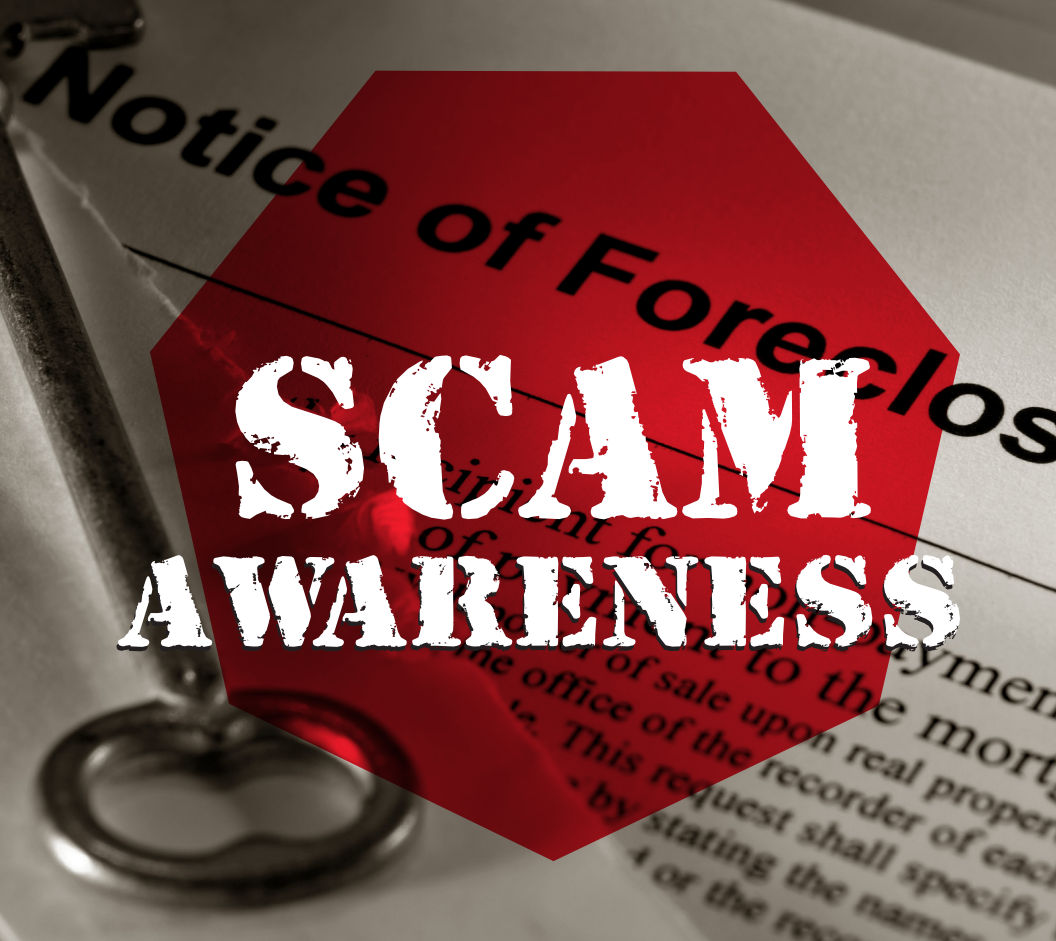
6 Contact a HUD-approved housing counselor. Housing counselors can help you understand the law and your options, organize your finances and represent you in negotiations with your lender if you need this assistance. To find a local agency search the web at <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm> or call (800) 569-4287 or TTY (800) 877-8339.

7 Prioritize your spending. After healthcare, mortgage payments should be your first priority. Review your finances and see where you can cut spending (cable TV, eating out, memberships).

8 Use your assets. Do you have assets—a second car, jewelry, a whole life insurance policy—that you can sell for cash to help reinstate your loan?

9 Foreclosure prevention companies. You don't need to pay high fees for foreclosure prevention help. Your lender or a HUD approved housing counselor will provide FREE assistance.

10 Don't lose your house to foreclosure recovery / rescue scams! Don't be a victim of scam artists who are taking advantage of people at risk of foreclosure. Talk to your lender or a HUD approved housing counselor.



**SCAM
AWARENESS**

How To Identify Signs of a Mortgage Modification Scam

Beware of Foreclosure Rescue Scams!

- Scam artists often target homeowners who are struggling to meet their mortgage payment or are anxious to sell their homes.
- Beware of anyone who asks you to pay a fee up front in exchange for a counseling service or modification of a delinquent loan or who “guarantees” that they can stop the foreclosure process.
Assistance from a HUD approved housing counselor is FREE.
- Beware of people who pressure you to sign papers immediately, or who claim they can “save” your home if you sign or transfer over the property deed.
- Do not sign over the deed to your property to any organization or individual unless you are working directly with your mortgage company/lender to forgive your debt.

- Never make a mortgage payment to anyone other than your mortgage company/lender without their approval.
- For homeowners age 62 or older who are thinking about a Reverse mortgage (Home Equity Conversion Mortgage/ HECM) beware of scam artists who charge thousands of dollars for information that is FREE from a HUD approved housing counseling agency.
- Be cautious of companies who are willing to make a donation to your church or non-profit as they could potentially use their donation as a means to promote themselves as “affiliated” or “endorsed by your church.”

Beware of Foreclosure Rescue and Loan Modification Scams

If It's Too Good to be True, It's a Scam

To protect yourself from opportunity hoaxers:

- Contact your lender or mortgage loan servicer to negotiate a payment plan.
- Work with reputable non-profit housing counselors.
- Report suspicious activity.

Read more inside or go to the resource page for whom to contact for immediate help.



FEDERAL DEPOSIT INSURANCE CORPORATION

Is Foreclosure Knocking at Your Door?

FORECLOSURE
NOTICE

KEEP OUT

Save
Mortgage
Programs

FD

...TO GET THE HELP YOU NEED!



Need Help With Mortgage?

you may be able to
mortgage payment
e affordable.

U.S. Department of Housing and Urban Development

HOW TO AVOID FORECLOSURE

This booklet explains how property owners can avoid losing their homes because of delinquent payments.

Este folleto explica a los propietarios de casas como evitar perder su hogar debido al incumplimiento en los pagos.
Para información en español llame a la entidad que le dió el préstamo.

www.hud.gov



HOME AFFORDABLE.gov

KingHomeAffordable.gov
888-995-HOPE (4673)



Advertising

Promoting An Event – Flyers & Invitations

Create a flyer similar to these for your event and distribute them by mail, at services, meetings, block walk or other community events to advertise.

Trouble with your mortgage?

FORECLOSURE COUNSELING EVENT

Month Day, Year
FREE EVENT


Where: Place
Address 1
Address 2, Zip

When: Day, Month, Year
Start Time - End Time

What: Even Description
with information on:
• Foreclosure Prevention
• Fraud Identification and Prevention
• Credit Recovery and Budgeting
• Loss Mitigation
• Other Activity

Facing foreclosure? Questions regarding your mortgage, call us and reserve your place:

Contact Information: Phone Number(s)
Contact Information: email address(es)
website: www.afjdjiukvg.gcjsabb



<Organization Name>
In partnership with
<Organization Name> & <Organization Name>
Presents

Homeownership Preservation Clinic

<DATE>

WHERE: <Location>
<Address>

TIME: <Time>

WHAT: Confidential counseling by HUD certified counselors with information on:

- Foreclosure Prevention
- Fraud Identification and Prevention
- Credit Recovery and Budgeting

Space is limited; please call (555) 555-5555 to reserve your space or for more information. Please make sure to bring a copy of your mortgage statement and monthly budget.

Did you know?

- *Smart* foreclosure fact about your local community or neighborhood.
- Local HUD approved counseling/education agencies in the area can assist you with your housing, credit and foreclosure prevention needs for **FREE**.
- Local government agencies and consumer protection attorneys can help if you have become a victim of predatory lending or real estate fraud.
- The decrease drop in property values caused by foreclosures creates buying opportunities for families looking for a home.

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A computer workstation is shown in the foreground, including a monitor on the left, a keyboard, and a mouse. The background is a vibrant, abstract scene with glowing blue and purple light effects. A large, semi-transparent 'Enter' key is prominently displayed in the center of the background, with the word 'Enter' and a downward-pointing arrow on it.

Resources



MAKING HOME AFFORDABLE.gov



Need help with your mortgage?

Call the Homeowner's
HOPE™ Hotline or visit
MakingHomeAffordable.gov

888-995-HOPE
Homeowner's HOPE Hotline

English: <http://www.makinghomeaffordable.gov/index.html>

Spanish: <http://www.makinghomeaffordable.gov/spanish/index.html>



1-877-622-8525 or 1-800-CALL-FHA

- **U.S. Department of Housing & Urban Development (HUD)**

English: http://portal.hud.gov/portal/page/portal/HUD/topics/avoiding_foreclosure

Spanish: <http://espanol.hud.gov/foreclosure/>

- **HUD-Approved Housing Counseling Agencies**

<http://www.hud.gov/offices/hsg/sfh/hcc/fc/>

Call: 1-800-569-4287; TDD 1-800-877-8339

- **Freddie Mac: Foreclosure & Scams**

English: <http://www.freddiemac.com/avoidforeclosure/>

Spanish: http://www.freddiemac.com/corporate/buyown/spanish/avoiding_foreclosure/

- **FannieMae: Foreclosure & Scams**

English: <http://www.fanniemae.com/kb/index?page=home&c=homeowners>

Spanish: http://www.fanniemae.com/kb/index?page=home&c=vision_general

- **Loan Modification Scam Alert - NeighborWorks**

English: <http://www.loanscamalert.org/>

Spanish: <http://www.alertafradedehipoteca.org/>

Chinese: <http://www.loanscamalert.org/chinese.aspx>

Korean: <http://www.loanscamalert.org/korean.aspx>

Vietnamese: <http://www.loanscamalert.org/vietnamese.aspx>

- **Homeownership Preservation Foundation: Foreclosure**

English: <http://www.995hope.org/>

Spanish: <http://www.995hope.org/espanol/prevencion-de-la-ejecucion-de-una-hipoteca/>

- **Federal Trade Commission: Scams**

English: <http://www.ftc.gov/bcp/edu/microsites/moneymatters/your-home.shtml>

Spanish: <http://www.ftc.gov/bcp/edu/microsites/moneymatters/espanol/your-home.shtml>

- **Federal Reserve Board: Foreclosure**

English: <http://www.federalreserve.gov/consumerinfo/foreclosure.htm>

- **Comptroller of the Currency – Consumer Advisory**

English: http://www.occ.treas.gov/consumernews_foreclosure.htm

- **FDIC: Foreclosure & Scams**

English: <http://www.fdic.gov/consumers/loans/prevention/index.html>

Downloadable Audio, Video & Other Print Materials

- **Making Homes Affordable**

PSA campaign: <http://www.makinghomeaffordable.gov/psa/about.html>

Additional materials: <http://www.makinghomeaffordable.gov/psa/additional.html>

Outreach Toolkit: <http://www.makinghomeaffordable.gov/toolkit.html>

English:

www.makinghomeaffordable.gov/docs/090598%20-%20updated%20mha%20tri-fold%20brochure%20english.pdf

Spanish:

www.makinghomeaffordable.gov/docs/090598%20-%20update%20mha%20tri-fold%20brochure_spanish.pdf

- **Freddie Mac: Foreclosure**

Toolkit: http://www.freddiemac.com/service/msp/avoid_foreclosurekit.html

- **Homeownership Preservation Foundation:
Foreclosures & Scams**

English & Spanish: <http://www.foreclosurehelpandhope.org/ads.html>

- **Federal Trade Commission: Scams**

English: <http://www.ftc.gov/multimedia/video/credit/mortgage/hope-now.shtm>

Spanish: http://www.ftc.gov/multimedia/video/credit/mortgage/hope-now_es.shtm

English: <http://www.ftc.gov/bcp/edu/microsites/moneymatters/audio.shtml>

- **Comptroller of the Currency: Foreclosure & Scams**

English: http://www.occ.treas.gov/consumernews_foreclosure.htm

English: <http://www.occ.treas.gov/ftp/ADVISORY/2009-1.pdf>

- **FDIC: Foreclosure & Scams**

English: <http://www.fdic.gov/consumers/loans/prevention/consumer.html>

English: www.fdic.gov/consumers/loans/prevention/rescue/images/foreclosurescam.pdf

- **National Fair Housing Alliance**

English: <http://www.youtube.com/watch?v=cS2HsaBA5No>

Spanish: www.youtube.com/watch?v=qQQJ6unRYaY

Where To Report Mortgage, Foreclosure and Scam Fraud

- **HUD Fraud Hotline: 1-800-347-3735**

English: <http://www.hud.gov/offices/oig/hotline/index.cfm>

- **Financial Fraud Enforcement Taskforce**

English: <http://www.stopfraud.gov/>

- **U.S. Department of Justice: United States Trustee Program**

English: www.justice.gov/ust/eo/public_affairs/consumer_info/foreclosure_scams.htm

English: www.justice.gov/ust/eo/public_affairs/consumer_info/hamp/video.htm

- **Federal Trade Commission**

English: <https://www.ftccomplaintassistant.gov/>

Spanish: https://www.ftccomplaintassistant.gov/Consumer_HomeES.htm

- **U.S. General Services Administration: Consumer Action**

English: <http://www.consumeraction.gov/>

Spanish: <http://www.consumidor.gov/>

- **U.S. Department of the Treasury: FinCen–Financial Crimes Enforcement Network**

English: <http://www.fincen.gov/foreclosurerescue.html>

- **Federal Bureau of Investigations (FBI) – Mortgage Fraud**

English: http://www.fbi.gov/hq/mortgage_fraud.htm

- **Prevent Loan Scams – A Project of the Lawyers' Committee for Civil Rights Under Law**

English: <http://www.preventloanscams.org/>



**Center for Faith-Based and
Neighborhood Partnerships**

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