

Managing Your Mortgage

Avoid Foreclosure Rescue Scams

(NAPS)—Following a few suggestions can help save many homeowners struggling with mortgages and other debt from seeing things go from bad to worse.

For one thing, you can get free assistance from a housing counselor approved by the U.S. Department of Housing and Urban Development at (888) 995-4673 and makinghomeaffordable.gov.

As for people or companies offering mortgage modification assistance or foreclosure relief, Federal Trade Commission rules ban advance fees, require clear disclosures and prohibit false or misleading claims.

Experts at the Office of the Comptroller of the Currency suggest you beware of these 10 lines:

1. “Pay us \$1,000 and we’ll save your home.” Companies cannot collect fees until you have a written, acceptable offer from your lender and a written description of the key changes to your mortgage.

2. “I guarantee I will save your home—trust me.” Beware of guarantees like this one. Providers must give you realistic evidence for any claim they make.

3. “Sign over your home and we’ll let you stay in it.” Signing over the deed gives the recipient the power to evict you, raise your rent or sell your house; and you’ll still have to pay the mortgage.

4. “Stop paying your mortgage.” Don’t trust anyone who tells you to stop making mortgage payments to your lender or servicer, even if that person promises to do it for you. You could lose your home and hurt your credit rating.

5. “If your lender calls, don’t talk to them.” Providers cannot tell you to stop communicating with your lender or servicer.



Don't fall for foreclosure scams. Let a HUD-approved counselor help.

6. “Your lender never had the legal authority to make a loan.” Don’t listen to anyone who claims “secret laws” can erase your debt.

7. “Just sign this now; we’ll fill in the blanks later.” Read and understand everything you sign. Never let anyone else fill out paperwork for you. Don’t let anyone pressure you into signing anything.

8. “Call (800) Fed-Loan.” Beware of companies that imitate official federal programs. Providers must tell you they are affiliated with the government.

9. “File for bankruptcy and keep your home.” Filing for bankruptcy stops foreclosure only temporarily. If you don’t make your mortgage payments, the bankruptcy court will eventually let the lender foreclose. Some scam artists may file bankruptcy in your name, without your knowledge, to temporarily stop foreclosure and give you the impression that he or she has negotiated a new agreement on your behalf.

10. “Why haven’t you replied to our offer? Do you want to live on the streets?” High pressure tactics signal trouble.

You can learn more at: helpwithmybank.gov, makinghomeaffordable.gov, consumerfinance.gov, consumeraction.gov and nw.org.

Did You Know?

Experts at the Office of the Comptroller of the Currency say homeowners with mortgage troubles can get free assistance from a housing counselor approved by the Department of Housing and Urban Development (HUD) by calling (888) 995-HOPE (4673) or visiting makinghomeaffordable.gov.

Beware 10 scammers’ lines. ///
Avoid Foreclosure Rescue Scams

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