

Beware Of Foreclosure Scams!


With so many people in mortgage trouble, a lot of scammers are out to take advantage of you. Be careful!

Who are they targeting?



- Homeowners whose payments suddenly spike upwards
- Families in financial trouble
- Senior citizens and women
- Those who have lost a loved one

What are they saying?

- 
- An illustration of four business professionals in dark suits standing in a line, facing forward. Behind them is a stylized city skyline with orange and yellow buildings under a blue sky with sun rays.
- Sign it over (the house deed)
 - Don't tell the bank
 - Move out or do a lease with an option to buy
 - When you get back on your feet you can have the house back
 - Rent or buy a great house for a price that's a real steal

Where can you get safe and reliable help?

- 
- An illustration of a woman in a grey blazer and a man in a dark suit. The woman is holding a clipboard and looking at the man, who is looking down at the clipboard.
- Your lender!
 - HUD certified counselor- 800-569-4284
 - 888-995-HOPE

Where can you check out offers of help?

- 866-411-2221- Better Business Bureau
- 866-272-2677- California Department of Corporations
- 510-622-2552- California Department of Real Estate



Some Common Practices

The Phantom

The "rescuer" charges a homeowner facing foreclosure very high fees for performing light-duty phone calls and paperwork that the home owner could have performed him or herself. The "rescuer" may also promise to represent the homeowner to stave off foreclosure but the help never comes. The home owner loses valuable time to prevent foreclosure, gains nothing, and the "rescuer" vanishes having plucked the home owner of what little cash he or she had.

The Bailout

The "rescuer" gets the home owner to surrender title to the house by telling the homeowner that he or she is making a deal to become a renter and to buy back the home over the next few years. Home owners are pressured into surrendering the title. They are told that someone with better credit can secure new financing to prevent the loss of the home. Buy-back becomes impossible, the home owner permanently loses possession, and the "rescuers" exit with all, or most of, the home's equity.

Bait and Switch

Home owners are told that they are signing documents to get a new loan to make the mortgage current, but actually the "rescuer" has the homeowner sign documents to surrender the title of the home for a fraction of its value.

Refinance

Someone claiming to be a representative of a loan company is willing to refinance the home and reduce monthly payments. The fine print on the contract confirms that the lower payments are only covering the interest and in a few months the balance will come due in a balloon payment that the client cannot possibly afford. OR Homeowners are told that by making direct payments to, and by signing over the home temporarily to someone who either offers a new loan or to negotiate with the existing mortgage company they can avoid foreclosure. But because the "rescuer" keeps the money, the homeowner receives an eviction notice from the new owner or a notice of foreclosure by the mortgage company because they haven't received the payments.

Bankruptcy

The 'rescuer' either acquires a partial interest in the property and transfers it to a real or fake company already in bankruptcy, or acquires information to file a petition in the homeowner's name. The homeowner is not told about the bankruptcy petition, but is convinced that foreclosure activity has ceased because the mortgage problems have been worked out.