

## Avoiding Foreclosure “Rescue” Fraud

(NAPS)—As more Americans face difficulty making their mortgage payments, scam artists are becoming increasingly sophisticated and brazen in their efforts to squeeze the last few dollars from desperate homeowners.

For a fee, these individuals promise to help save homes from foreclosure, but either they charge a high price for services that can be obtained for free from a qualified nonprofit counseling agency—or deliver little or nothing for the money received.

There are various forms of foreclosure fraud scam, but the most prevalent ruses fit into three categories:

1. **Phantom Help**—Phony mortgage consultants charge high fees for work the homeowners could either easily do themselves or at no cost through a nonprofit counseling agency approved by the U.S. Department of Housing and Urban Development.

2. **Bogus Bailout**—Homeowners sign over title to their property after being tricked into believing they can stay in their homes and rent back from the scammers with the option of eventually buying back their homes.

3. **Bait and Switch**—Homeowners think they are signing new mortgage papers that will solve their foreclosure problems when, in fact, they are deceived into signing over the deeds to their homes.

The so-called foreclosure rescue “consultants” or “specialists” are even taking a mass-market approach, running ads in newspapers and on talk radio and television. According to Rick Harper of the Consumer Credit Counseling



**If you're having trouble making mortgage payments, you should speak to a certified credit counselor to help avoid falling prey to scam artists.**

Service of San Francisco, “In addition to advertising on radio and television, many scammers target homeowners by soliciting them at community events and with flyers. Some scammers are using the public records information to directly target troubled homeowners for personal contact by knocking on doors, direct mailings or phone calls.”

If you are behind on mortgage payments, contact your lender or a HUD-approved nonprofit counseling agency, such as Consumer Credit Counseling Service, to obtain free advice. To help prepare for conversations with either your lender or a nonprofit counseling agency, visit a Web site such as the one sponsored by PMI Mortgage Insurance Co. at [www.HomeSafePMI.com](http://www.HomeSafePMI.com). In addition, HUD maintains a list of approved housing counselors available at [www.hud.gov](http://www.hud.gov), or you can call (800) 569-4287 to locate a counseling agency near you.

### Did You Know?

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