



## Beware of Mortgage “Rescue” Scams!

Did you know that it is illegal for someone to collect your money first - before they help with foreclosure prevention or with lowering your interest rate?

**If you suspect that you have become the victim of this illegal practice, called a mortgage rescue scam, please call the Metro Milwaukee Fair Housing Council, a nonprofit agency that will help you – for free! Call the Fair Housing Council at (414) 278-1240, or from outside of Milwaukee County, call toll-free: (877) 647-3247.**

**The Fair Housing Council will help you file complaints against the scammer, and if at all possible, help you to get your money back!**

**“Rescue” scams come in many disguises. Some foreclosure-related scams to beware of:**

- The scam artist (sometimes posing as an attorney) tells you that he/she can negotiate a deal with your lender to save your home - if you pay a fee. Once you pay, the scam artist takes off with your money.
- You are asked to make all your mortgage payments directly to the scam artists while they negotiate with the lender. After collecting your payments for a few months, the scammer disappears with your money and you still owe the lender.
- You think you’re signing documents for a new loan to make your existing mortgage current—but instead, you have given the scammers ownership - the deed to your home.
- You surrender the title to your home as part of a deal that allows you to remain in your home as a renter, and buy it back later. But you lose all rights, and the scammer takes the equity in your home.
- A scam artist offers to find a buyer for your home, but only if you sign over the deed and move out. Once you transfer the deed, the scam artist rents out the home and pockets the proceeds while the foreclosure continues. You lose your home—and you’re still responsible for the unpaid mortgage.

**Tips to avoid mortgage rescue scams and mortgage fraud:**

- **Avoid anyone who asks for money – especially money up front - to help you modify your loan.** A scammer may be a loss mitigation company, a lawyer, a real estate broker, and/or someone who uses government logos and offers “special programs” to *appear* that they can offer legitimate help.
- **Instead, find a nonprofit housing counselor** who will help you **for free.** Simply enter your zip code on this site: [www.findaforeclosurecounselor.org](http://www.findaforeclosurecounselor.org) or check out [www.hud.gov](http://www.hud.gov). The staff at these nonprofit agencies provide professional assistance at no cost to you.
- Beware of offers or promises that seem too good to be true. **Be especially wary of guaranteed results.**
- Do not give away your Power of Attorney.
- **Do not be pressured to sign any contract.** Take your time to review all documents thoroughly.
- Don’t sign away ownership of your house (don’t transfer the deed) to anyone without advice from a nonprofit housing counselor or a reputable, experienced real estate lawyer.
- If your English-speaking skills are limited, bring your own trusted translator to any financial or homeownership negotiations.

## Three Mortgage Rescue Scams – Money was Successfully Returned to the Homeowners!

Info/ Action	First case	Second case	Third case
Where is the home they were trying to save?	South 12 <sup>th</sup> Street, Milwaukee	City of South Milwaukee	North 6 <sup>th</sup> Street, Milwaukee
Why did they need help with foreclosure prevention?	Hours at work were reduced	The husband lost his job	Needed to reduce his 11% interest loan, in order to stay current on his mortgage
Who was the scammer, based where?	Attorney in Boca Ratan, Florida	Attorney in West Palm Beach, Florida	A for-profit company posing as a nonprofit organization based in Florida
How did the complainant connect with the scammer?	Mailing that made it look like it was from the government. It said "Protect your HUD rights, and had an " Equal Housing Opportunity symbol	In August of 2011, homeowners found them online, sent them an email. Scammers claimed that they could help the homeowners access funds <i>through a special government mortgage program to assist people who were unemployed.</i>	Mailing that made it look like it was from the government. It said "Protect your HUD rights," and had an Equal Housing Opportunity symbol. The mailing also referred to the "Stimulus Act of 2008, and it said, "Form 009-S" to make it look official
What did the scammer charge?	Charged \$2500 up front, before starting work on a loan modification, and then three more payments of \$750 each, for a total of \$4750. All came directly out of claimant's checking account.	\$1000 to help access the program for the unemployed and \$2000 to get her a loan modification	\$1000 that came directly from homeowner's checking account
What happened next?	Claimant was told to stop making payments and to not contact the lender. Despite attempts to contact the scammer, there was no communication from scammer about the status of the requested loan modification. But the scammer provided no help.	They sent the firm bank statements, unemployment check stubs, and everything that the firm asked for. In May, 2012 the firm sent the family a letter saying that they could not help them "because the husband is unemployed."	The company sent him forms to fill out, that looked really legitimate, and the homeowner filled out and sent back the forms and all of the supporting documents that they asked for. But then nothing happened. The scammer provided no help. No help was given.
Where else did MMFHC file complaint?	Florida Bar Association, Florida Consumer Protection Agency, BBB, Loan Modification Scam Prevention Network, and CFPB	Florida Bar Association, BBB, Loan Modification Scam Prevention Network	BBB, Loan Modification Scam Prevention Network
How much was returned? How long did it take after initial MMFHC intake?	\$4750, 9 months	\$3,000, 17 months	\$1,000, 10 months