

Decoding the Real Estate Market
Foreclosure Rescue Scams
Provided by TCAOR P.R. Committee Chair-Sandra Hayes

The earthquake of home foreclosures has created a tsunami of scams meant to financially drown homeowners and renters. These scams are designed to take advantage of distressed homeowners who are facing foreclosure.

When homeowners fail to make full payments to their lenders for 90 days, they will receive a Notice of Default on their loans with a timeline to make repayment or face the sale of their property. At least 20 days before the trustee's foreclosure sale, the notice of sale must be posted on the property and in one local public location, often the County courthouse. The notice is also published once a week for three weeks in a local newspaper, starting at least 20 days before the sale date. Scammers can track these notices locally by going to the courthouse or reading the local paper. They can expand their scam statewide by subscribing to lists of recorded notices.

What are Foreclosure Rescue Companies? They claim they will help you save your home, but they are really out to make a profit for themselves at your expense. If you are at risk for foreclosure, here are some of the red flags of foreclosure rescue scams:

- Asks for money upfront before providing any service.
- Instructs you not to contact your lender, lawyer, housing counselor, family, friends, or others.
- Asks for mortgage payments to be made directly to his or her company or a bank account set up by that person, rather than your lender.
- Promises to stop the foreclosure process, no matter the circumstances.
- Offers to fill out paperwork for you.
- Pressures you into signing paperwork you have not read thoroughly or do not fully understand.
- Asks for signatures on a document that has lines left blank.
- Fails to provide copies of signed documents.
- Refuses or fails to put an oral promise in writing

If you are at risk of foreclosure or have already received a foreclosure notice, you should contact your lender immediately. Homeowners also may seek the advice of a reputable housing, financial or credit counselor, attorney, or other qualified professional. Homeowners may visit the U.S. Department of Housing and Urban Development (HUD) Web site at <http://www.hud.gov/> to view its Guide to Avoiding Foreclosure and its list of California HUD-approved housing counseling agencies. In addition, the non-profit Homeownership Preservation Foundation has a 24/7 toll-free Homeowner's HOPE Hotline at (888) 995-HOPE.

The next installment of **Decoding the Real Estate Market** will discuss **Foreclosure Rental Scams**.