

## Foreclosure Rescue Fraud

Foreclosure Rescue Fraud occurs when homeowners, finding it difficult to make ends meet and facing foreclosure, are promised help to save their homes.

Scammers often turn around and steal the homes from those they promised aid to. Some collect large fees for services never provided and are never seen from again.

### **Be cautious of these types of advertisements:**

- “Stop foreclosure now!”
- “We guarantee to stop your foreclosure.”
- “We can save your home. Guaranteed. Free consultation.”

### **Types of Foreclosure Rescue Fraud:**

- **Phantom Help**
  - The supposed rescuer charges very high fees for basic phone calls and paperwork that the homeowner could have done. Or, the rescuer will make promise to represent the homeowner but will not follow through.
  - Asked to pay a fee first.
  - Told not to contact your lender, lawyer or credit counselor.
  - Told to make all mortgage payments directly to the foreclosure rescue consultant.
  
- **Bait & Switch**
  - You think you’re signing documents for a new loan to make your existing mortgage current.
  - You have surrendered the title of your house and give up ownership.
  
- **Bailout / Rent-to-Buy**
  - The scammer bails the homeowner out by helping them get rid of the house.
  - Surrender your title and live in your house as a renter with the option to buy it back.
  - The homeowner can’t afford the terms. The scam artist raises the rent and then evicts the homeowner when they can’t pay.
  - They sell the house.

### **Protect Yourself**

- Contact your mortgage lender as soon as you think you are unable to make your mortgage payment.
- Know what you are signing
- Get promises in writing
- Make mortgage payments directly to your lender
- Be very careful about signing over your deed

## **Check Foreclosure Rescue Firm's Complaint History or File a Complaint**

- Better Business Bureau  
[www.bbb.org](http://www.bbb.org)
- Federal Trade Commission  
[www.ftc.gov](http://www.ftc.gov)
- Florida Department of State – Division of Corporations  
[www.sunbiz.org](http://www.sunbiz.org)
- Florida Attorney General's Office  
[www.myfloridalegal.com/mortgagefraud](http://www.myfloridalegal.com/mortgagefraud)

## **Foreclosure Rescue Fraud Prevention Act 2008**

Requires a foreclosure rescue consultant to:

- Provide a written agreement to the consumer and obtain the consumer's signature before beginning any services.
- Cannot charge any fees until all the services listed in the contract have been completed.
- Provide a "cooling-off" period
  - Right to cancel the contract or a transfer of their home 3 days after signing.
- Before any instrument that transfers title to the property can be executed, the buyer (investor) must execute a separate contract with all the terms and conditions of the proposed property transfer.
- If the transaction takes place and the homeowner is remaining in the home and making payments to the new owner, the homeowner is afforded a 30-day right to cure any default of the terms of the repurchase agreement.

## **Where to Get Legitimate Help:**

- Put Something Back "Pro Bono" Program  
Legal Aid Society - (305) 579-5733, ext. 2252  
Click [here](#) for link
- U.S. Department of Housing and Urban Development (HUD)  
(800) 569-4287  
[www.hud.gov](http://www.hud.gov)
- Homeownership Preservation Foundation  
(888) 995-HOPE  
[www.995hope.org](http://www.995hope.org)

Click [Consumer Services Department](#) for additional information

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