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## BBB Warns of 'Foreclosure Rescue' Scams

Hard times in the mortgage market are unfortunately seen by scammers as a ripe field for harvesting. The Better Business Bureau is warning U.S. financially-stretched homeowners to beware of such unscrupulous characters.

"According to estimates, as many as 1.7 million homeowners could lose their house to foreclosure in the next couple years," said Steve Cox, spokesperson for the Better Business Bureau. "These people will be in the desperate position of trying to save their home and they'll look for someone to trust. Unfortunately, con artists are seeing their chance to step in and make a fast buck off of troubled homeowners from Palm Springs to Pittsburgh."

This year the BBB has seen a sharp increase in the number of foreclosure rescue scams reported nationwide. For example, in the Clearwater, Fl. Bureau there have been 508 such complaints during the last three years, with 322 of them coming from the last year alone. Clearwater scam victims have filed refund requests totaling more than \$600,000!

Similarly, the Charlotte BBB found only two foreclosure rescue operations in the area in 2006, but this year there have been reports of 15 scamming companies. The Cleveland area saw a huge increase as well with 21 mortgage foreclosure rescue companies cropping up last year.

"BBBs across the nation are hearing the same story from victims over and over again," said Cox. "Desperate homeowners are duped into a false sense of security by crooked companies and think their prayers have been answered and their homes will be saved. Unfortunately, many people are losing a lot of money and their houses through untrustworthy foreclosure rescue operations."

You may be particularly in danger of coming across a mortgage foreclosure rescue scammer if you live in a state with a high foreclosure rate. Currently states like California, Georgia, Colorado, and Ohio top the list. These places seem to have the highest number of scam complaints.

Here's how a typical mortgage foreclosure rescue scam might present itself: You are contacted directly by a 'rescue' company claiming to be able to work with your mortgage lender to save your home from foreclosure and work out new terms for your home loan payments. They will require a fee for this service, maybe even as much as \$1300. To reassure you though, they will offer a money-back guarantee if they cannot rescue you from foreclosure.

It sounds like this company is an angel sent from heaven, right? Unfortunately, the company will probably not do anything at all to save your home. They prey on desperate homeowners, simply profiting from the upfront fee and then refuse to give the promised money-back refund when the clients lose their homes to foreclosure.

In order to avoid falling victim to this ruthless scandal, the BBB recommends taking the following steps if you are in danger of foreclosure:

Before you sign any contract or pay any money to a so-called "rescue" company, request a free copy of the Reliability Report put out by the BBB. This will give you a better idea about the company's history and business practices. Do not be fooled by clever marketing ploys or by the 'personal approach' of handwritten notes or personal phone calls from company employees.



These are simply deceptive scamming tactics. Try to work out a foreclosure rescue scenario yourself by talking directly with your lender. Explain your situation and ask for a revised repayment schedule. Most lenders are very keen on avoiding foreclosure proceedings. Do not sign away the title of your home and make sure you have your attorney review any contracts with rescue companies before you sign.

If you do feel that a rescue scam company has taken advantage of you, be sure to report the incident to the BBB. They may be able to help you recover your lost money.