



A S S I S T A N C E

Foreclosure Rescue Scams Just Say No!

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BEWARE!

If you have fallen behind on your mortgage or you are going through foreclosure, you may hear from someone offering to save your home or fix your credit.

Watch out! This may be a scam!

You may be giving away your home without even knowing it.

Don't sign anything until you can talk to a lawyer or reliable housing counselor.

You have other options

You don't have to fall prey to a scammer. You have other possible choices, including:

- 1) Reinstatement (or negotiating another type of "workout" plan with your lender)
- 2) Refinancing
- 3) Chapter 13 bankruptcy
- 4) Selling your home

You can get help with sorting out your options by asking for help from a HUD-Approved or Certified Housing Counselor (see attached list). For more details on these options, see our handout: "Can I Save My Home from Foreclosure?"

Another choice that you may face is one offered by a "rescue scammer". No matter how good this sounds, just say NO!

How do I know who is trying to help and who is trying to cheat me?

Here is how these scam artists work. A scammer will call you, visit you at home, send you an e-mail, or run an ad in a newspaper or on the internet. The scammer will offer you a "great deal" to save your home. Typically, he will tell you that he will pay off your loan for you, rent your home back to you for a few months, and then sell it back to you later when you can afford it. Other "rescue scams" may work a little differently. But, in every case, you end up losing your home and all of your "equity" to the scammer.

Look out for these danger signs



- The scammer urges you to sign papers without giving you the chance to read and understand them.
- The scammer gets you to sign blank documents, to be filled in later.
- The scammer promises you things that are not included in the written agreements.
- The scammer charges you large fees. (Read the papers and make sure you understand the costs!)
- The scammer does not give you written copies of your agreements.



- The scammer may offer to help you find an “investor” to buy and then lease your home back to you.
- The scammer promises to improve your credit.
- The scammer promises you solutions that seem too good to be true.

Trust your instincts. There are no quick, easy fixes. Contact a trustworthy advisor before giving in to tempting, but false, promises.

Here’s how a typical rescue scam works

A scam artist contacts you and offers to rescue you from foreclosure and to save your home. He promises to pay off your mortgage or repair your credit. He has you sign some papers. You agree to pay him rent for 12 months. After that, he will give you the chance to buy your home back from him. Then during the 12 months he evicts you. Or he sells your home to a third party. He changes his mind about selling back to you. Or at the end of the 12 months (or 6 months), you aren’t able to refinance and he keeps your home.

In the meantime, the scammer now owns your home and whatever “equity” you had. Say your home was worth \$150,000 and you still

owe the bank \$50,000. Your “equity” was \$100,000. If you had sold your home for \$150,000, you would still have \$100,000 after paying off your \$50,000 loan. Even if the lender had foreclosed and sold it for a lower price, you would probably get some of your “equity” back. But, if you fell for the rescue scam, you are left with NO home and NO money. The scammer stripped your “equity” away from you.

If you are in trouble on your mortgage, you’re in a difficult spot. You are probably feeling scared. You may want to keep your home at all costs. You may be worrying about where you will live if you lose your home. Rescue scam artists know how desperate you are feeling. They are trying to prey upon you when you are feeling the most upset and helpless. No matter how bad your situation seems, **don’t fall for a rescue scam!** You have other choices.



Contact a Certified Housing Counselor now! (See attached list)

Get reliable advice before doing anything that may leave you worse off than you already are.

Notice



Prepared by Pine Tree Legal Assistance
Thanks to the **National Consumer Law Center** for background materials
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We are providing this information as a public service. We have tried to make it accurate as of the above date. Sometimes the laws change. We cannot promise that this information is always up-to-date and correct. If the above date is not this year, call us to see if there is an update.

This information is not legal advice. By sending you this, we are not acting as your lawyer. Always consult with a lawyer, if you can, before taking legal action.

Network of Maine Housing Counselors Providing Foreclosure Counseling

Counseling Agency and Service Area	Contact Person	Phone and Email Address
Aroostook Community Action Program <i>Aroostook County</i>	Jeff Heron	764-3721
MaineStream Finance <i>Penobscot, Piscataquis, Knox, and Waldo Counties</i>	Dana Ward	973-3555
Kennebec Valley Community Action Program <i>Kennebec and Somerset Counties</i>	Kim Moulton	859-1637
Community Concepts, Inc. <i>Androscoggin and Oxford Counties</i>	Linda Lajoie	739-6550
People's Regional Opportunity Program <i>Cumberland County</i>	Maurice Geoffroy	874-1140
York County Community Action <i>York County</i>	Chris Laroche Jennifer Gordon	324-5762 ext. 2960 324-5762 ext. 2959
Coastal Enterprises, Inc. <i>Statewide</i>	Jill Lorom	882-7552 ext. 186
Consumer Credit Counseling Services (CCCS) of Maine <i>Statewide</i>		1-800-439-CCCS (2227) www.cccsme.org
Legal Resource Organizations		
Pine Tree Legal Assistance	Chet Randall	774-8211
Legal Services for the Elderly	Jaye Martin	1-800-750-5353

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