



SCAM ALERT! 6 THINGS YOU SHOULD KNOW

Scams aren't always easy to spot – but it helps if you know the warning signs to look for. Here are six red flags to indicate that you may be dealing with a loan modification scammer:

1. **A company/person asks for a fee in advance to work with your lender to modify, refinance or reinstate your mortgage.** It is illegal for a company/individual to charge fees in advance for these services according to the Federal Trade Commission (FTC) Mortgage Assistance Relief Service (MARS) Rule. Note: Attorneys are allowed to charge fees in advance if they meet certain requirements and place fees in a client trust account (FTC MARS Rule Compliance Guide for attorneys). But be careful! Attorneys, and people claiming to be attorneys, have been known to take advantage of homeowners, too.
2. **A company/person guarantees they can stop a foreclosure or get your loan modified.** Nobody can make this guarantee to stop foreclosure or modify your loan. Legitimate, trustworthy HUD-approved counseling agencies will only promise they will try their very best to help you.
3. **A company/person advises you to stop paying your mortgage company and pay them instead.** Despite what a scammer will tell you, you should never send a mortgage payment to anyone other than your mortgage lender. The minute you have trouble making your monthly payment, contact your mortgage lender.
4. **A company pressures you to sign over the deed to your home or sign any paperwork that you haven't had a chance to read, and you don't fully understand.** A legitimate housing counselor would never pressure you to sign a document before you had a chance to read and understand it.
5. **A company claims to offer "government-approved" or "official government" loan modifications.** They may be scam artists posing as legitimate organizations approved by, or affiliated with, the government. Contact your mortgage lender first. Your lender can tell you whether you qualify for any government programs to prevent foreclosure. And, remember, you do not have to pay to benefit from government-backed loan modification programs.
6. **A company/person you don't know asks you to release personal financial information online or over the phone.** You should only give this type of information to companies that you know and trust, like your mortgage lender or a HUD-approved counseling agency.

For More Information Contact our office

Office: 910-253-0699 www.bho2020.org