HOMEOWNERS BEWARE:
Foreclosure Rescue Scams

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and the CALIFORNIA ASSOCIATION OF REALTORS®

With the recent rise in foreclosures, foreclosure-related scams have exploded onto the real estate scene. These so-called "foreclosure rescue companies" claim they will help save your home, but in reality are out to make a profit -- at your expense.

Red Flags for Foreclosure Rescue Scams

If you are at risk of or in foreclosure, you should be on the lookout for foreclosure scams. Here are some of the red flags to watch out for:

- 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.
- Requires payment only in the form of cash, cashier's check, or wire transfer
- Promises to stop the foreclosure process, no matter the circumstances
- Advises you to transfer your property deed or title to his or her company
- Offers to fill out paperwork for you
- Asks for something to be done immediately and without delay. This includes pressuring you into signing paperwork that you have not had the chance to read thoroughly or do not fully understand
- Encourages you to lease your house and buy it back over time
- Offers to buy your house for a fixed price that is not set by the housing market at the time of sale
- Asks for you to give a power of attorney
- Asks for signatures on a grant deed or deed of trust
- 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

Report Fraud

If you have been a victim of a foreclosure-related scam or approached by a scam artist, you may report the incident to the following organizations and government enforcement agencies:

- California Attorney General
  http://ag.ca.gov
- California Department of Real Estate
  www.dre.ca.gov
- Department of Housing and Urban Development (HUD)
  www.hud.gov
- Federal Trade Commission (FTC)
  www.ftc.gov
- Your local Better Business Bureau
  www.bbb.org

Legitimate Resources

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 (999) 995-HOPE.

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