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DON'T BECOME A TARGET!

Protect Yourself from Foreclosure "Rescue" Scams

If you are struggling to make your mortgage payments, you may find yourself the target of con artists and scammers looking to profit off your desire to avoid foreclosure. Foreclosure "rescue" scammers promise to save homeowners from foreclosure, but instead convince homeowners to do things that are not in their best interest. These fraudsters can take homeowners' money, ruin their credit and wipe out their home equity.

Don't be a victim of a foreclosure "rescue" scam! This guide tells you how to spot common scams and where to go for legitimate help.

How do scammers find their victims?

Scammers locate their victims through an array of tactics, including:

- Placing misleading advertisements on the Internet, television or local newspapers;
- Creating phony government websites to trick homeowners into contacting the rescue company or handing over their personal information;
- Sending personalized letters to homeowners that have been identified by searching public files and foreclosure notices in newspapers and on the Internet; and
- Placing flyers or business cards on homeowners' front doors.

Learn to Spot Red Flags

Beware of businesses that:

- 🚩 Guarantee to save your home, no matter your circumstances;
- 🚩 Insist you do not contact your lender, lawyer or housing counselor;
- 🚩 Collect a fee before providing you services;
- 🚩 Accept payment only by cashier's check or wire transfer;
- 🚩 Encourage you to lease your home and buy it back over time;
- 🚩 Direct you to make your mortgage payments to them, not your servicer;
- 🚩 Ask you to transfer your property deed or title to them;
- 🚩 Offer to fill out your paperwork for you;
- 🚩 Pressure you to sign paperwork you have not read thoroughly or don't understand.

What are the most common foreclosure rescue scams?

There are many scams to guard against:

▶Phony Agreements

The scammer charges you an upfront fee to negotiate an agreement with your servicer. The scammer may tell you not to contact your servicer, a housing counselor or an attorney. Once you pay the fee, the scam artist takes off with your money without providing you any meaningful assistance.

▶Payment Kiting

Posing as a “foreclosure specialist” or “loss mitigation expert,” the scammer insists that you make your mortgage payments directly to them. They claim that they are making payments on your behalf, but after collecting a few months of payments, the scammer takes your money and disappears.

▶Bait and Switch

The scammer asks you to sign documents that will make your mortgage current, but the documents really transfer the deed for your house to the scammer, leaving you holding the mortgage on a home you no longer own.

▶Rent-to-Own or Bailout

The scammer convinces you to sign over the deed to your house to the scammer, who promises to rent your home back to you in a “rent-to-own” agreement. Unfortunately, the terms of this agreement are so burdensome that buying back the home becomes impossible, and you get evicted while the scammer walks away with your money and your home.

▶Equity Skimming

The scammer offers to sell your house and convinces you to sign over the deed. The scammer promises to give you a portion of the profit from your home’s sale. Instead, the scammer rents out your home and pockets the proceeds. In the meantime, the lender proceeds with the foreclosure, leaving you without a home but still responsible for the unpaid mortgage.

▶Bankruptcy Foreclosure

In return for an upfront fee, the scammer promises to negotiate with your lender. Instead, the scammer pockets the fee and files a bankruptcy case in your name without your knowledge. While this may temporarily halt the foreclosure process, bankruptcy can be complicated and expensive and damage your credit, especially if you do not have adequate legal representation.

▶“Government” Scam

The scammer claims to be part of a government program by setting up a phony website or using phrases such as “bank bailout” or “President’s plan” to intimidate you into paying bogus fees. In reality, information about any government mortgage program can be obtained from Save the Dream Ohio or any HUD-approved counseling agency for free.

New scams are always developing. If you think an offer sounds too good or if you are asked to pay a fee for foreclosure prevention services, call Save the Dream Ohio at 888-404-4674 to verify that the company contacting you is legitimate.

How I find legitimate help?

▶ If you are having difficulty keeping up with mortgage payments, take action! Call Save the Dream Ohio, the official state foreclosure prevention program at (888) 404-4674, Monday through Friday from 7 a.m. to 7 p.m., or visit our website at www.savethedream.ohio.gov. Save the Dream Ohio operators will connect you with a HUD-certified housing counselor or a pro bono or legal aid attorney who will help you negotiate with your mortgage servicer and choose the best option for your situation. These trained foreclosure prevention professionals will provide you with the help you need for free.

Any Ohioan who believes that they have encountered a foreclosure rescue scam should immediately report this to the Office of the Ohio Attorney General at (800) 282-0515, www.speakoutohio.gov.

▶ Remember:

- **NEVER** pay someone to help you with your mortgage! Help is free through Save the Dream Ohio.
- **ALWAYS** maintain an open line of communication with your lender.
- **NEVER** transfer the deed to your home to someone else in an effort to avoid foreclosure! Doing so means you will be responsible for the mortgage on a home you no longer own.
- **NEVER** sign paperwork that you do not fully understand and do not sign contracts or documents that have blank spaces.
- **NEVER** make your mortgage payments to someone other than your servicer, even if that person promises to pass the payments on.
- **ALWAYS** consult an attorney, housing counselor, financial advisor or trusted family member before signing any “rescue” documents.