

# Consumer Alert

FOR IMMEDIATE RELEASE

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## County of Summit Office of Consumer Affairs Warns Homeowners to Beware of Mortgage Fraud and Foreclosure Recovery Scams

Mortgage Fraud and Foreclosure Recovery Scams continue to be a problem for all homeowners and especially those who are having trouble making their mortgage payments.

Companies are soliciting homeowners by telephone, mail, email and over the Internet with offers to refinance or modify home loans along with offers to help with bad credit or bankruptcy. In order to protect their homes, consumers need to be able to recognize and understand the signs of mortgage fraud or foreclosure recovery scams along with knowing where to turn for help.

### Beware of

- **Phony Counseling:** owners are told that for an up front "negotiating" fee, the agency can save the home. The consumer is told not to talk to the lender, credit counselors, attorneys or respond to the courts. What really happens is that no negotiating is done and the scam artist takes off with the homeowner's money and leaves them facing foreclosure.
- **Bait and Switch:** owners are led to believe they are signing documents to bring their existing mortgage current but are really signing over their ownership.
- **Rent to Buy:** owners are told to sign over the deed to the property and then buy it back in the next few years. The terms of the deal are usually so troublesome that buying back the home becomes impossible.
- **Bankruptcy Foreclosure:** owners receive promises that the agency will negotiate with the lender for a fee, but instead pockets the money and files a bankruptcy in the owner's name. The bankruptcy will stop a foreclosure, but unless the homeowner is aware and involved in the process, the bankruptcy case will be dismissed and the foreclosure will continue.

### Watch for the Red Flags

- 🚩 Promises of help - no matter what the circumstances
- 🚩 Collects a fee before providing any service
- 🚩 Told not to speak with lender, an attorney or the court
- 🚩 Encourages owners to sign over the deed and lease property back

### How to Find a Local HUD Approved Counselor

Consumers looking for a local HUD approved counseling agency for help with foreclosure or other budget related issues may call the Office of Consumer Affairs at 330-643-2879 or visit the website at [www.co.summit.oh.us/conaffairs.htm](http://www.co.summit.oh.us/conaffairs.htm), or call Ohio's Save the Dream hotline at 888-404-4674 or visit their website at [www.com.ohio.gov/SavetheDream](http://www.com.ohio.gov/SavetheDream).