

## Foreclosure Rescue Scams

The Office of the Comptroller of the Currency has issued an advisory that provides advice to help borrowers from becoming victims of foreclosure rescue scams. Most foreclosure rescue scams fall within three categories. In *lease-back or repurchase scams*, the con artist convinces a borrower to sign over his deed in return for a promise to lease back or eventually repurchase the property. *Refinance fraud* involves a situation where the borrower believes the transaction is a refinance, but in fact, the fraud involves transfer of property ownership to the con artist. *Bankruptcy schemes* involve repeat bankruptcy filings to get a temporary stay order to delay foreclosure, but can result in damaging the consumers' credit without saving their homes.

### How to protect yourself from scams

- **Know what you are signing.** Read and understand every document you sign. Seek advice from a lawyer if you need to. Never sign documents with blank spaces that can be filled in later; and never sign documents with errors or false statements, even if someone promises to fix them later.
- **Get promises in writing.** Oral promises and agreements are usually not legally binding. Protect your rights with a written document or contract signed by the individual making the promise.
- **Make your mortgage payments directly to your lender or the mortgage servicer.** Do not trust anyone else to make mortgage payments for you.
- **Be careful about signing over your deed.** Foreclosure scams often require you to sign over ownership of your home to a con artist or another third party. Have your lawyer involved at every step of the way and understand the terms of the deal you are making. By signing over your deed, you lose your rights to your home and any equity built up in it.
- **Report suspicious activity to the Federal Trade Commission and to local and state consumer protection agencies.** Reporting con artists and suspicious schemes can help prevent others from becoming victims.
- **Contact your mortgage lender or mortgage servicer as soon as you think you are unable to make your mortgage payment.** Lenders are often in the best position to help, especially if you are current on your mortgage.
- **Contact a legitimate housing or financial counselor to help you work through your financial problems.** To find one in your area call: (800) 569-4287 or visit [www.hud.gov/offices/hsg/sfh/hcc/hccprof14.cfm](http://www.hud.gov/offices/hsg/sfh/hcc/hccprof14.cfm); or (888) 995-4673 or visit [www.995hope.org](http://www.995hope.org)

Source: <http://www.occ.treas.gov/ftp/Advisory/2008-1.html>