

## Common Mortgage Rescue Scams



### Bait and Switch:

This is one of the oldest scams in the book. This scam involves loan officers telling homeowners to sign documents that transfers title to them and creates a new home loan that will resolve their home financial concerns.

Unfortunately, the homeowners end up signing forged documents that transfers ownership of their home to the scamming loan officer. Homeowners then lose the ownership in their home but still owe on the mortgage for that home.

### The lease/buy-back:

In this scam loan officers tell troubled homeowners that they are willing to buy their home but that the homeowners will be able to continue to live in their home as renters with the option of buying back their house at a later time.

As usually happens, the terms of the home loan and lease they signed becomes so unworkable and unaffordable that the homeowner ends up being evicted and the loan officer gets whatever equity exists for that house.

### Phantom help:

In this scam a person appears as a Counselor, Home Auditor, or Specialist that promises troubled homeowners that they can do whatever it takes to save their home. Homeowners pay these scammers hundreds or thousands of dollars in hopes of saving their home.

The scammer ends up taking whatever money he or she can from the homeowners and does little, if anything, in return. Later this scammer cannot be contacted and the homeowner ends up losing all the money they give him or her and loses their home.

## Need Help?



Northwest Fair Housing Alliance can help you understand your fair housing rights.

For more information or to file a housing discrimination complaint, contact the Northwest Fair Housing Alliance.



[www.nwfairhouse/lending-awareness](http://www.nwfairhouse/lending-awareness)  
509-325-2665 or 1-800-200-FAIR (3247)



## Important Resources

### HUD Approved Housing Counselors:

-RURAL RESOURCES COMMUNITY ACTION  
509-685-6055 / [www.ruralresources.org](http://www.ruralresources.org)

-SNAP  
509-456-7106 / [www.snapwa.org](http://www.snapwa.org)

Additional Foreclosure Avoiding Counseling Agencies in Washington visit:  
<https://tinyurl.com/WA-save-home>

### To Report a Scam:

- Department of Financial Institutions:  
(877) 746-4334  
[www.dfi.wa.gov/consumers/complaint.htm](http://www.dfi.wa.gov/consumers/complaint.htm)

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# Fair Housing Do's & Don'ts Saving Your Home

## How to Avoid Foreclosure Scams



Northwest Fair Housing Alliance



## DO's and DON'Ts



### DO:

- Contact your lender or mortgage servicer to find out what your options may be.
- Contact and meet with a HUD approved housing counseling agency.
- Research all companies you are thinking about doing business with that you are not familiar with.
- Read and understand all documents requiring your signature.
- Get all promises in writing. Don't rely on verbal agreements. Obtain and keep full copies.

### DON'T:

- Waste precious time by ignoring warning letters from your mortgage lender.
- Pay any upfront money to a foreclosure rescue or loan modification company.
- Sign over your deed without first consulting a lawyer or HUD approved counselor.
- Trust anyone to make your mortgage payments for you.
- Sign any paperwork or contracts under pressure.
- Sign any documents that have blank lines and/or spaces on them. Information could be later added that you were unaware of and may not want.

## Protected Classes



A protected class refers to a group of people whom the law protects against illegal discrimination.

### Federal and Washington State Protected Classes

- Race
- Color
- National Origin
- Religion
- Sex
- Familial Status
- Age
- Marital Status
- Disability
- Creed
- Sexual Orientation
- Veterans/Military Status
- Income derived from Public Assistance

### Watch out for scams targeting your protected class!

- Hispanic homeowners are more than twice as likely to report being scammed by in-state scammers than other homeowners.
- Hispanic homeowners are more likely to report being solicited for scams via radio or TV.
- African-Americans account for 8% of homeowners nationwide but account for 24% of scam complaints; Hispanics account for 8% of homeowners nationwide, but 20% of all scam complaints.

\*Data summarized from Lawyers' Committee for Civil Rights Under Law 2014 Project Report, *FORECLOSURE RESCUE, INC.*



## Protect Yourself



### AVOID ANYONE WHO:

- **Asks for a fee in advance** of providing you with any services.
- **Guarantees** that they can stop your foreclosure or modify your loan.
- **Tells you to stop paying** your mortgage and pay them instead.
- **Advises you not to contact your lender**, lawyer, or credit or housing counselor.
- **Accepts payments only by cash**, cashier's check, or wire transfer.
- **Offers to buy your home** while enabling you to stay in that home as renters. Tells you that you can buy your home back at a later time.
- **Advises you to transfer your property** deed or title to them.
- **Offers to buy your house for cash** at a price that does not consider its true value based upon a valid appraisal.
- **Offers to fill out paperwork** for you with you signing blank forms.
- **Visits your home without making an appointment first.**
- **Pressures you to sign documents** you have not had a chance to read or that you don't understand, and/or fails to give you copies of document(s) you have signed.