



Outsmart Foreclosure Scams

Thousands of homeowners fear losing their homes in this economy, due to readjusted monthly payments, layoffs, not enough savings cushion, too much debt, and now—mortgage rescue scams.

The scammers target victims by Internet, phone, direct mail, and door-to-door solicitation, according to the Federal Reserve. They use public information, such as foreclosure filings, to zero in on unsuspecting victims.

After they snare you, scammers typically ask you to stop all contact with lenders, credit counselors, and lawyers. They say it's best if *they* handle the details. Some try to trick you into signing documents that switch the title of your home to the crook. Others ask you to lease your house or pay hefty fees so the scammer can "negotiate with your lender." ►

The Federal Reserve advises:

- **Know how to spot a phony pitch.** Watch for messages like, "We guarantee to stop your foreclosure," "Don't worry, we do this all the time," and "We can stop foreclosures this week!"
- **Don't rely on someone else** to contact your lender or loan servicer. If someone approaches you and offers to negotiate with your lender on your behalf, or offers to send your payments to your lender, just say no. Don't hand over a mortgage payment to a stranger.
- **Take time to read what you sign.** Someone in a hurry to get your signature probably doesn't want you to read the fine print. But that fine print may mean the difference between keeping your home and losing it.
- **Consider high up-front fees a red flag.** You shouldn't have to pay hundreds—or thousands—of dollars for housing assistance. Most reputable counselors provide free or low-cost counseling services.

If you're having mortgage problems, talk to a credit union home loan officer. We can talk about potential options such as a reduced interest rate, extended repayment time, lower monthly payment, or other repayment plan that fits your budget.



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