

## **Mortgage Foreclosure Scams on the Rise, Warns the BBB**

### ***Foreclosure "rescue" companies may promise to save your home, but only empty your wallet***

[August 22, 2007]—Across the U.S., homeowners facing mortgage foreclosure are being scammed by foreclosure "rescue" companies promising to save their house but that only take their money. In light of this emerging trend, the Better Business Bureau (BBB) warns that gloomy forecasts for the housing and financial markets means that increasingly more people could fall prey to mortgage foreclosure scams in the coming months.

"According to estimates, as many as 1.7 million homeowners could lose their house to foreclosure in the next few years," said Edward Johnson, President & CEO of the Better Business Bureau. "These people will be in the desperate position of trying to save their home and they'll look for someone to trust. Unfortunately, con artists are seeing their chance to step in and make a fast buck off of troubled homeowners."

BBBs nationwide have received hundreds of complaints from homeowners who enlisted the help of unscrupulous mortgage foreclosure rescue companies and they all tell a similar story.

Typically, homeowners report that they were either contacted directly by a mortgage foreclosure rescue company or came across a Web site while searching for help to stop foreclosure on their home. The companies claimed they would renegotiate the terms of their mortgages and stop foreclosure actions, or the homeowners would get their money back. Victims, who were desperate to keep their homes, paid as much as \$1,300. In the end, the companies did very little work or often nothing at all. Most victims, not only lost their homes, but they also have not been able to get promised refunds, either.

"The BBB is hearing the same story from victims over and over again." Said Johnson. "Desperate homeowners are duped into a false sense of security by crooked companies and think their prayers have been answered and their homes will be saved. Unfortunately, many people are losing a lot of money and their houses through untrustworthy foreclosure rescue operations."

The BBB offers the following advice for homeowners facing mortgage foreclosure:

- Contact your BBB or go to [www.mybbb.org](http://www.mybbb.org) to request a free Reliability Report before paying any "rescue" company. You can also check with your state Attorney General and state Real Estate Commission.
- Beware of the personal approach. Some less-than-ethical businesses will stuff a handwritten note in your front door or mailbox that implies that "help" is available from someone who has your best interests in mind.
- Talk to your lender. The first thing you should do is talk to your mortgage company about how to restructure your loan payment or refinance.
- Never sign a contract under pressure and never sign away ownership of your property. Ask a trusted family member, your attorney or a financial professional to review any paperwork you may be asked to sign.
- If you feel you have been taken advantage of by an unethical mortgage foreclosure "rescue" company, file a complaint with your BBB at [www.mybbb.org](http://www.mybbb.org).