

SCAM ALERT

LOAN MODIFICATION AND FORECLOSURE SCHEMES: TIPS TO AVOID BEING SCAMMED

As the recent housing market's bubble has burst, many people are finding themselves stuck in difficult positions. Some now owe more on their loan than their home is worth—called “upside down” on their loan, while others have had their interest rate adjust to higher rates—thus making their monthly payments dramatically increase.

In response to this overwhelming volatility in the housing market, loan modification and debt reduction companies and service providers have popped up all over. While some of these companies are providing the services they promised and have been successful in assisting homeowners remain in their homes, unfortunately there are many that are preying on unsuspecting and desperate homeowners who are afraid of losing their homes.

If you are in danger of losing your home, or need assistance with loan modification, Elder Law and Advocacy encourages you to review the following tips on how to avoid being scammed—and when in doubt call our free Scam Hotline at (858) 715-1648 and speak with one of attorneys.

- DO NOT pay advance loan modification fees to anyone (including an attorney) if your lender has already filed a notice of default.
- DO NOT pay your mortgage to someone other than your lender.
- DO NOT work with people who instruct you not to contact your attorney, lender, or a credit or housing counselor.
- DO NOT transfer ownership of your home to someone who promises to save it. This is a common scam, in which the person offering to help steals the home's equity and still charges you rent.
- DO NOT pay upfront fees to non-lawyers who promise to assist with loan modification without checking with the California Department of Real

Estate. Real estate licensees are prohibited from collecting advanced fees for loan modification work before meeting strict requirements.

-DO beware of unsolicited contacts and high-pressure sales techniques.

-DO contact your lender as soon as possible if you are having trouble making mortgage payments.

-DO remember there are many nonprofit agencies that can help you seek a loan modification without charge and real estate licensees who can assist for a fee paid only after they have completed their work.

Remember these are just simple rules of thumb, for further information and advice, feel free to call Elder Law and Advocacy's newest nonprofit program Senior Shield at their Scam Hotline (858) 715-1648 for further information and helpful resources.