

CONSUMER ADVISORY

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By Attorney General Tom Miller

Beware of Foreclosure “Rescue” Scams

“Rescue scams” take money from those who can least afford to lose it.

It’s hard to believe, but scam artists will try to take advantage of lowans who are caught up in the nationwide foreclosure crisis. We expect it because con-artists have a long record of trying to scam people who are down and who can least afford to be cheated.

lowans who are having difficulty making their mortgage payments, for whatever reason, may be approached by con-artists aiming to cheat them in “*mortgage foreclosure rescue fraud*” schemes. The schemes ask people to pay hundreds of dollars for so-called assistance or “rescue” from foreclosure -- but they just take people’s money and do little if anything to help them avoid foreclosure. The scam just puts people in a deeper hole.

Example: a Des Moines family at risk of foreclosure was conned into giving \$795 to a company that claimed it would set up arrangements to help them avoid foreclosure -- but the con-artists made no such arrangements, and they just asked for even more money!

Avoid foreclosure “rescue scams”: Be careful if someone *contacts you* and claims they can help. (You might be contacted by phone, mail, e-mail, or even a knock on your door, because people facing foreclosure are in public court records.) Never pay an up-front *advance fee* for mortgage “rescue.” Be very wary of signing any papers (some folks have signed over their deeds and lost their homes in con-schemes.) Don’t believe someone who advises you *not* to talk to your own attorney or mortgage company -- that usually is just what you *should* be doing! See below for others who really *can* help.

Contact the Iowa Attorney General’s Office if you’ve been cheated by a “rescue scam”: Call 888-777-4590, or go to www.iowaAttorneyGeneral.org.

Get help you can trust, if you are facing foreclosure or having difficulty making payments: Call the Iowa Mortgage Help Hotline at 877-622-4866 -- they can steer you to help and give you good advice. Contact your local housing counseling agency for advice and assistance. Or contact your mortgage company (or the “servicer” who is handling your loan.) Don’t delay. Don’t feel overwhelmed or ashamed. The earlier you get assistance, and the earlier you are in contact with your lender, the more likely you can save your home.

For most lowans, the home is their most important possession. If you are facing difficulty making payments or the threat of foreclosure, take steps now to save your home – and don’t fall for “mortgage rescue” schemes that will only make the situation worse.

For more information or to file a complaint, contact the Attorney General's Consumer Protection Division, Des Moines, Iowa 50319. Call 515-281-5926, or toll-free at 888-777-4590. The web site is: www.iowaAttorneyGeneral.org.