

## Common Foreclosure Rescue Scams

### The 'Pretend to help' scam:

**They tell you to** give them cash, with no contract or receipt, and promise to "negotiate" with your lender. They may tell you to ignore your lender's phone calls, ignore your court and foreclosure dates, and tell you not to contact an attorney.

#### **What it really means:**

They take your money, but don't call your lender, by the time you find out, you've lost your house.

### The 'Review your Papers for \$1,000' scam:

**They tell you** to send them your papers so their "experts" can review them. They promise to save your house.

#### **What it really means:**

They steal your money while your home is foreclosed. They may even send you official-looking documents to file in court.



*Never pay up-front fees.*

*Foreclosure consultants (such as lawyers or real estate agents) are prohibited by law from collecting money before services are performed. Also, HUD-certified counselors are available for free.*

### The 'Deed your house and rent it back' scam:

**They tell you** to deed your house to someone else and promise to pay your mortgage, rent the house back to you. They promise you can buy your house back later.

#### **What it really means:**

They don't pay your mortgage and you get evicted when your house gets foreclosed.

### The 'Filing Bankruptcy will save your house' scam:

**They tell you** to deed your house (or small part of your equity) to someone else and promise to file bankruptcy. They claim you can do it all without talking to an attorney.

#### **What it really means:**

Scam artists know that bankruptcy slows but does NOT stop foreclosure.

*A homeowner should never file for bankruptcy without consulting a **qualified bankruptcy attorney**.*

If you are at risk of foreclosure, contact your lender about your options. Many lenders will try to work out a plan with you. Get free advice from a HUD-certified counselor, and if you are worried about fraud or thinking of filing bankruptcy, call a qualified attorney.

**This brochure is brought to you by the following local agencies and organizations:**

California Rural Legal Assistance

City of Watsonville

Communities Organized for Relational Power in Action (COPA)

County of Santa Cruz

Law Offices of Simmons and Purdy

Monterey County District Attorney

Office of Congressman Sam Farr

Santa Cruz County District Attorney

Santa Cruz County Superior Court

Self-Help Center

SurePath

Watsonville Law Center

# Foreclosure Rescue SCAMS



**Avoid Foreclosure  
"Rescue" Scams,  
Report Fraud, and  
Get the Help  
You Need**

Receiving a “Notice of Default” is the beginning of the foreclosure process. This Notice is a **public record**. Scammers search these records and target homeowners who need help.

## Protect yourself from scams:

- ∞ **Get a WRITTEN contract and get all promises in writing.** Get receipts for any payments you make. Scammers pretend to negotiate with your lender, so get written proof of any agreements with your lender.
- ∞ **Know what you are signing.** If you can’t read or don’t understand a contract, get help before you sign.
- ∞ **Know who you are paying and why.** A scammer may ask you to give your mortgage payment to him instead of to your bank. Usually, you should only give mortgage payments to your lender or to your attorney for your “escrow account”.
- ∞ **NEVER sign over your deed** unless you are selling your house. Signing your deed to someone else will NOT stop foreclosure or save your home.
- ∞ **PROTECT your personal information.** NEVER give a stranger your Social Security number, bank account numbers, mother’s maiden name, etc.

Resources for Santa Cruz and Monterey County Residents facing Foreclosure or Foreclosure Rescue Scams		
Organization	Populations Served	Services Offered and Who to Contact
<b>1. Report Fraud</b>		
District Attorney’s Office of Monterey County	You can file a consumer complaint in the county where you live, or in the county of the business you are filing against.	Your District Attorney investigates consumer complaints of fraud against businesses and individuals, including real estate agents, foreclosure “consultants” and local lenders. <b>Santa Cruz County District Attorney’s Office: (831) 454-2050</b> <b>Monterey County District Attorney’s Office: (831) 647-7770</b>
District Attorney’s Office of Santa Cruz County		
California Department of Real Estate (DRE)	The DRE investigates consumer complaints against real estate agents or individuals acting like real estate agents, holds hearings and may revoke or suspend a professional’s license. <b>To make a complaint, call: (916) 227-0864.</b> Get helpful information online at <a href="http://www.dre.ca.gov/index.html">www.dre.ca.gov/index.html</a> . The DRE is a state regulatory agency, not a court of law, and generally cannot refund money or cancel contracts, but it can help investigate fraud. Your DRE complaint helps bring fraud to the attention of law enforcement and can help other consumers avoid falling victim to fraud.	
Office of the Attorney General, California	The Office of the Attorney General investigates complaints against businesses or individuals who commit fraud. For more information or to file a complaint visit their website at <a href="http://ag.ca.gov/loanmod/">http://ag.ca.gov/loanmod/</a> or call (800) 952-5225	
Federal Trade Commission	The FTC website offers information regarding Mortgages, Foreclosures, and fraud: <a href="https://www.ftc.gov/yourhome">https://www.ftc.gov/yourhome</a> You can also file a complaint on the FTC website if you have been a victim of fraud: <a href="https://www.ftccomplaintassistant.gov/">https://www.ftccomplaintassistant.gov/</a>	
<b>2. Find Legal Assistance</b>		
California Rural Legal Assistance	Serves low-income residents of Monterey and Santa Cruz Counties with proof of immigration status. Call for eligibility.	Services include education, legal advice and direct representation. Contact the office nearest your home: <b>Watsonville</b> (831) 724-2253, <b>Santa Cruz</b> (831) 458-1089, <b>Monterey</b> (831) 375-0505, <b>Salinas</b> (831) 757-5221. Web: <a href="http://www.crla.org">www.crla.org</a>
Watsonville Law Center	Serves low-income residents of Monterey, San Benito, and Santa Cruz Counties.	Services include educational materials, legal advice and referral information. Call: (831) 722-2845. Web: <a href="http://www.watsonvillelawcenter.org">www.watsonvillelawcenter.org</a>
County Bar Association Lawyer Referral Services & Private Attorneys	This service of your County Bar Association may help you find a brief legal consultation at a reasonable price for many different legal issues. In <b>Monterey County</b> call: (831) 663-6955 (\$35 fee). Web: <a href="http://www.montereycountybar.org/lrs.htm">www.montereycountybar.org/lrs.htm</a> . In <b>Santa Cruz County</b> call: (831) 425-4755 (\$40 fee). Web: <a href="http://www.santacruzbar.org/lrs.php">www.santacruzbar.org/lrs.php</a> . <b>Foreclosure, predatory lending, and related issues can be complicated, even for attorneys. When looking for an attorney, ask if he or she has experience with your kind legal issue. If you use a Lawyer Referral Service, ask if the referral attorneys are experienced with your kind of legal issue.</b> The California Bar Association offers information about selecting the right attorney at <a href="http://www.calbar.ca.gov">www.calbar.ca.gov</a> . Brochures available online at: <a href="http://www.calbar.ca.gov/calbar/pdfs/publications/Pamphlet_Hire-Lawyer.pdf">www.calbar.ca.gov/calbar/pdfs/publications/Pamphlet_Hire-Lawyer.pdf</a> . Search for experienced consumer attorneys at the <b>National Association of Consumer Advocates website at <a href="http://www.naca.net">www.naca.net</a></b> .	
<b>3. Get Housing Counseling</b>		
SurePath	Serves members of the general public	HUD certified non-profit agency offering free advice on mortgage foreclosure and free or low-cost advice about debt management and bankruptcy. Call (800) 540-2227. Web: <a href="http://www.gotdebt.org">www.gotdebt.org</a>
Housing Resource Center of Monterey County	Serves residents of <b>Monterey County</b>	HUD certified non-profit agency. Free or low-cost advice for homeowners facing foreclosure. Call (800)-830-4657 or (831) 424-9186
U.S. Department of Housing & Urban Development (HUD)	Serves members of the general public	Referral to agencies that provide free or low cost advice on mortgage foreclosure and assistance with negotiating with lenders. Call: (800) 569-4287. Web: <a href="http://www.hud.gov">www.hud.gov</a>
Homeownership Preservation Foundation	HPF is a HUD certified nonprofit agency offering free foreclosure counseling nationwide. HPF is a member of HOPE NOW, a voluntary organization of the mortgage industry that may help homeowners at risk of foreclosure with either <u>repayment plans</u> (which do not reduce the amount you owe but give you more time to pay) or modifications (“workouts”), which do lower principal and interest to reduce the amount of money you owe. <b>If you agree to a repayment plan or modification, make sure it is a long-term solution you will be able to afford over the remainder of your mortgage.</b> National toll-free hotline at: (888) 995-HOPE. Information about HOPE NOW is at <a href="http://www.995hope.org">www.995hope.org</a> .	
<b>Ask for help if you are facing foreclosure and report fraud if you are the victim of a scam.</b>		