

Community Connections Urges Borrowers Not to Pay for Foreclosure Help, Offers Homeowners Tips to Avoid Foreclosure “Rescue” Scams

With foreclosure filings reportedly reaching record numbers this summer, Community Connections, the Housing Division of Pathfinder Services, Inc. reminds home owners in danger of foreclosure that they should never pay for help, and should instead seek assistance from HUD-approved nonprofit housing counseling agencies, like Community Connections, and those found at www.findaforeclosurecounselor.org and www.makinghomeaffordable.gov.

“Rescue scams are proliferating at a rapid pace and more homeowners are falling prey to the slick advertising and sales pitches that guarantee to keep them in their homes,” said Jan Baumgartner, Director of Community Connections, the Housing division of Pathfinder Services, Inc., a local NeighborWorks organization with its main office in Huntington.

“Some challenges borrowers are facing in the communities we serve includes job loss due to the current economic situation. Additionally, we are receiving many referrals daily of families who have no where else to turn, and are still seeing some families who have fallen victim to paying for foreclosure counseling,” Baumgartner added.

Foreclosure rescue scam artists frequently demand upfront payment for their services and “guarantee” to modify, refinance, or reinstate a borrower’s mortgage. The payment demanded can be anywhere from \$1,000-\$5,000, as was the case for one homeowner in Indiana. A local homeowner paid a California agency \$1,500 to stop a foreclosure sale. They believed the promise that this agency was helping, when they were not. By the time the homeowner contacted Community Connections it was too late and the home was lost. That does not mean all homeowners who have fallen into this trap cannot be saved, but homeowners should contact Community Connections now to be sure they are receiving quality assistance.

“If you are facing foreclosure, do not pay any person or company up front for services,” said Baumgartner. “Homeowners facing foreclosure need to be aware that foreclosure rescue scam artists are out in full force and see this as a prime opportunity to make money. When it comes to foreclosure assistance, the old adage ‘you get what you pay for’ does not apply. If you are facing foreclosure, contact a HUD-approved nonprofit housing counseling agency, like Community Connections, to receive foreclosure counseling. Nonprofit organizations are a homeowner’s best defense against foreclosure.”

Community Connections urges home owners not to pay a person or company for foreclosure help, and offers borrowers the following tips to avoid foreclosure rescue scams:

- Never use any ad, person, or company that approaches you and claims to be able to “stop foreclosure now” for a fee.

- Never release your financial information online or over the phone to a company you know nothing about. Do a back ground check first to verify they are legitimate first call the Better Business Bureau or search for complaints on line.
- Never send your mortgage payment, or any payment, to a company other than your mortgage lender.
- Visit www.findaforeclosurecounselor.org to find HUD-approved organizations that offer free, legitimate foreclosure counseling.
- If you prefer to speak to a counselor over the phone, call the Homeowner's HOPE Hotline at 888-995-HOPE (4673) for free foreclosure prevention counseling by expert counselors at HUD-approved nonprofit counseling agencies. The hotline is open 24 hours a day, seven days a week, in English and in Spanish. Counseling is also available in 20 additional languages by request.
- Contact your mortgage lender. Contrary to what a foreclosure scammer will tell you, you should contact your lender the minute you have trouble making your monthly payment.
- If you suspect a scammer has approached you or victimized you, contact your local Better Business Bureau or state attorney general's office. In addition to reporting a scam locally, you can file a complaint with the Federal Trade Commission (FTC). To file a complaint in English or Spanish, visit the FTC's online Complaint Assistant: <https://www.ftccomplaintassistant.gov/> or call 877-FTC-HELP (877-382-4357).

For more information about foreclosure prevention, or to make an appointment to meet with a counselor, please contact Mike Davis or Vickie Evans at Community Connections at (866) 892-0513, or via e-mail at mdavis@pathfinderservices.org, or vevans@pathfinderservices.org.

Community Connections is the Housing Division of Pathfinder Services Inc., a not for profit Human Services organization with offices in Huntington, Wabash, and Plymouth. Community Connections began in 1997 and since March 2007 has worked with over 1,500 families facing mortgage foreclosure or delinquency.