

Don't fall for scams when facing foreclosure

A friend is falling behind on her mortgage payments, and is starting to get offers that I believe are scams. Is there a way to check these out?

You're right to be skeptical. Scams preying on people facing foreclosure are running rampant these days. Although there are legitimate programs that can help people who are worried about losing their home, keep this general rule in mind: If it sounds too good to be true, it probably is.

Con artists regularly review public records that indicate a homeowner is facing foreclosure. Such information is easy to gather, and it reveals who's most vulnerable to offers of "help." Common scams include:

- You get a letter, e-mail or phone call offering to negotiate with your lender or to review your loan documents, but first you need to pay a hefty fee up-front, and you may be told not to contact a lawyer. If you fall for this one, you can kiss your money good-bye. More than likely, your lender will never be contacted. You may get some legal-looking documents, but they're worth nothing.

- A "leaseback/rent to buy" scheme talks you into deeding your home to the scammer, who supposedly will either make your loan payment for you, or will obtain better financing and rent the home back to you until you can buy it back. But transferring your title doesn't get you out of your original mortgage loan obligation — and if you're not dealing with the lender directly, you have no idea if those payments are being made. Usually, they take your money, don't make any mortgage payments, and not



only do you go into foreclosure but you've lost any ownership claim to your home, as well.

Ohioans who feel they may have been victimized by such a scam should contact the Ohio Attorney General's help line at (800) 282-0515 or file a consumer complaint online at <http://www.ag4ohio.gov/Public/consumer.aspx>. The office also has foreclosure assistance information specific to Ohio at <http://www.ag4ohio.gov/Public/foreclosures.aspx>.

The Department of Housing and Urban Development offers a consumer advisory outlining foreclosure scams at <http://www.occ.treas.gov/ftp/ADVISORY/2008-1.html>. And, on a brighter note, it also offers legitimate assistance to avoid foreclosure at <http://www.hud.gov/foreclosure/index.cfm>. Assistance includes:

- Information on how to contact a foreclosure avoidance counselor with approved housing counseling agencies.
- Guidance on how to approach your lender when you realize you'll have trouble making your mortgage payment.
- Information on the new "Making Home Affordable" program that offers refinancing or loan modifications for eligible homeowners. To find out if you qualify for either one of these programs, go to the Web site <http://makinghomeaffordable.gov> and answer some simple questions. This is a free program -- there is no need to pay anyone to help you fill out paperwork or file the application.

Family Fundamentals is a monthly column on family issues. It is a service of Ohio State University Extension and the Ohio Agricultural Research and Development Center. Send questions to Family Fundamentals, c/o Martha Filipic, 2021 Coffey Road, Columbus, OH 43210-1044, or filipic.3@cfaes.osu.edu.



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**For the month of
May 2009**

By **Martha Filipic**
(614) 292-9833
filipic.3@cfaes.osu.edu

Dear Subscriber: This column was reviewed by Nancy Stehulak, Ohio State University Extension educator and director in Henry County.

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**Section of Communications
and Technology
News and Media Relations**
2021 Coffey Road
Columbus, OH 43210-1044
(614) 292-2011

208 Research Services
Building
1680 Madison Ave.
Wooster, OH 44691-4096
(330) 263-3780

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