



BBB Warns Mortgage Foreclosure Scams are on the Rise

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Across the United States, homeowners facing mortgage foreclosure are being scammed by foreclosure "rescue" companies promising to save their house. In the end, these illegitimate companies only take consumers' money. In light of this emerging trend, the Better Business Bureau (BBB) warns that with gloomy forecasts for housing and financial markets, increasingly more people may fall prey to mortgage foreclosure scams.

PR9.NET August 17, 2007 - RALEIGH, N.C. - Across the United States, homeowners facing mortgage foreclosure are being scammed by foreclosure "rescue" companies promising to save their house. In the end, these illegitimate companies only take consumers' money. In light of this emerging trend, the Better Business Bureau (BBB) warns that with gloomy forecasts for housing and financial markets, increasingly more people may fall prey to mortgage foreclosure scams.

"According to estimates, as many as 1.7 million homeowners could lose their homes to foreclosure in the next couple of years," said Beverly Baskin, president and CEO of the BBB of Eastern North Carolina. "These people will be in the desperate position of trying to save their home and they'll look for someone to trust. Unfortunately, con artists are seeing their chance to step in and make a fast buck at the expense of troubled homeowners across the nation."

In recent months, the BBB has heard from victims of foreclosure rescue schemes in almost all 50 states. Not surprisingly, states with high foreclosure rates—such as Georgia, Colorado and Ohio—have an exceptionally high number of complaints concerning this type of fraud.

Typically, homeowners report that they were either contacted directly by a mortgage foreclosure rescue company or came across a Web site while searching for help to stop foreclosure on their home. The companies claimed they would renegotiate the terms of their mortgages and stop foreclosure actions, or the homeowners would get their money back. Victims, who were desperate to keep their homes, paid as much as \$1,300. In the end, the companies did very little work or often nothing at all. Most victims not only lost their homes, but have also not been able to get promised refunds.

The BBB offers the following advice for homeowners facing mortgage foreclosure:

Contact your BBB or go to www.bbb.org to request a free Reliability Report before paying any "rescue" company. You can also check with the North Carolina Attorney General and state Real Estate Commission.

Beware of the personal approach. Some less-than-ethical businesses will stuff a handwritten note in your front door or mailbox that implies "help" is available from someone who has your best interests in mind.

Talk to your lender. The first thing you should do is talk to your mortgage company about how to restructure your loan payment or refinance.

Never sign a contract under pressure and never sign away ownership of your property. Ask a trusted family member, your attorney or a financial professional to review any paperwork you may be asked to sign.

If you feel you have been taken advantage of by an unethical mortgage foreclosure "rescue" company, file a complaint with your BBB at www.bbb.org.

The Charlotte BBB reports that last year only two mortgage foreclosure "rescue" companies operated in the Charlotte area, but the number has jumped to 15 this year—six of which have government actions against them including cease-and-desist requests, temporary restraining orders and consent judgments.

"BBBs across the nation are hearing the same story from victims over and over again," adds Baskin. "Desperate homeowners are duped into a false sense of security and many are losing a lot of money, in addition to their houses, through untrustworthy foreclosure 'rescue' operations."

For more trustworthy advice and tips for troubled homeowners, go to www.bbb.org.

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About BBB Eastern North Carolina

The Better Business Bureau of Eastern North Carolina is a 501 (c)(6) not-for-profit corporation serving 33 counties in Eastern North Carolina. The organization is funded primarily by BBB Accredited Business fees from more than 3,200 local business and professional firms. The BBB promotes integrity, consumer confidence and business ethics through business self-regulation in the local marketplace. Services provided by the BBB include, reports on companies and charitable organizations, general monitoring of advertising in the marketplace, dispute resolution services, and consumer/business education programs. All services are provided at no cost to the public, with the occasional exception of mediation and arbitration. Visit www.bbb.org.

Website: <http://www.bbb.org>