

Warning to Homeowners

Scam artists are targeting homeowners who are facing foreclosure. These scams involve thieves who steal people's homes and equity after promising to help save the home from foreclosure.

This brochure has been prepared by the Home Ownership Preservation Project at the **Legal Assistance Foundation of Metropolitan Chicago (LAF)**, a private, not-for-profit organization dedicated to providing high-quality, free legal services to low-income, elderly, and disabled residents of Cook County.



For free legal assistance, please contact:

**Legal Assistance Foundation of
Metropolitan Chicago**

111 W. Jackson Blvd., 3rd Floor

Chicago, IL 60604

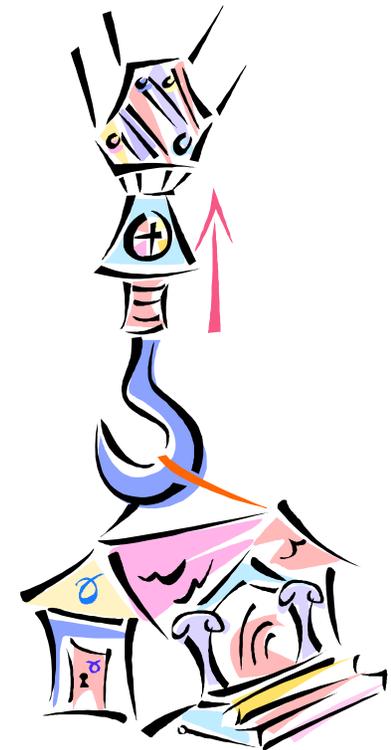
312.341.1070

800.824.4050

www.lafchicago.org

Homeowners beware of . .

MORTGAGE RESCUE SCAMS



Provided by: Legal Assistance Foundation of
Metropolitan Chicago

Mortgage Rescue Scams

Scam artists often find distressed homeowners through public foreclosure notices or government offices. These scam artists make deceptive promises to save the home from foreclosure. Two common forms of deception include:

(1) “Phantom help” – outrageous fees charged for minimal paperwork or unfulfilled promises of assistance until it is too late.



(2) “Sale-leaseback” – homeowner surrenders title, thinking they can become a renter and buy the property back over the next few years; however, the scam artist typically sets the price so high that he is able to evict them when they are unable to make the “rent” payments, or when they are unable to afford the repurchase price. The sale-leaseback is often pitched as a loan and sometimes homeowners don’t even know they are signing away title to their home.

HOW TO PROTECT YOURSELF

- Ignore posters slapped on telephone poles, median strips and at bus stops offering foreclosure help.
- Be wary of an individual or company that tells you to transfer your property deed or title to the company.
- Do not make payments to any party other than the lender.
- Do not sign a quit claim deed without being specifically instructed by your attorney or representative to do so. Do not agree to any deal that allows you to rent the property and then buy it back at a later date.
- Do not accept an offer from somebody who wants to make good on your missed payments and take the house off your hands in exchange for documents that assigns them the surplus from the foreclosure sale.
- If you cannot afford to keep your home and decide to sell, do so through a licensed real estate agent who will help you sell the home for a fair market price.
- Do not sign anything with blank lines or spaces; information could be added later.



- Be wary of an individual or company that calls itself a “mortgage consultant,” “foreclosure service,” or something similar.
- Be wary of an individual or company that collects a fee before providing services to you.



- If you’re not English-speaking use your own translator; do not depend on the “rescue” firm’s translator or anyone else’s.
- Get your own, independent attorney, rather than using the one selected by the “rescue” firm.

If you think you are a victim . . .

Find a consumer lawyer to represent you. Consumer lawyers can be found through the National Association of Consumer Advocates (www.naca.net).

Contact LAF at 312-341-1070 or toll free at 1-800-824-4050.

Call 311 for mortgage counseling or 1-866-SAVE-HOME for anti-predatory lending assistance.

Speak to a counselor certified by HUD (www.hud.gov).

If the scam also involved criminal activity such as forged documents, you should contact your local law enforcement agency for possible recourse.