



TIPS TO AVOID FORECLOSURE RESCUE SCAMS



If you are behind on your mortgage payments and facing foreclosure, WATCH OUT for fraudulent foreclosure consultants who target homeowners in your situation. The following tips can help you avoid being scammed.

RED FLAGS -- Avoid Working with any person or company that:

- Guarantees to stop the foreclosure process--no matter what the circumstances.
- Instructs you not to contact your lender, lawyer, or credit or housing counselor.
- Collects a fee before providing you any services. This practice is illegal in Michigan under the Credit Services Protection Act.
- Encourages you to lease or rent your home so you can buy it back over time.
- Tells you to make your mortgage payments directly to it, rather than to your lender.
- Tells you to transfer your property deed or title to it.
- Offers to fill out paperwork for you.
- Pressures you to sign paperwork that you haven't had a chance to read thoroughly or that you don't understand.

WHAT YOU CAN DO TO AVOID BEING A VICTIM

1. **DON'T sign any documents without reading them first.** Many homeowners think that they are signing documents for a new loan when they are signing away their homes.
2. **DON'T transfer title or sell your home to the foreclosure rescuer.**
3. **DON'T pay money to a foreclosure rescuer before any work has been done.** This practice is illegal in Michigan under the Credit Services Protection Act.
4. **DON'T ignore letters from your lender/loan servicer.** Contact your lender/loan servicer, as many are willing to work with homeowners who are behind on their payments.
5. **DON'T pay your mortgage payments to someone other than your lender, even if he/she promises to pass the payment on to the lender.**
6. **DO contact HUD at 1-800-569-4287 or the Michigan State Housing Development Authority at 1-866-946-7432 for a referral to a housing counselor near you.**

REPORT SCAMMERS

If you transferred your property or paid someone to "rescue" you from foreclosure, you may be the victim of a scam. File a complaint with the Attorney General's Consumer Protection Division online at www.michigan.gov/ag, or at the following address:

**Consumer Protection Division
P.O. Box 30213
Lansing, MI 48909
Toll free: 877-765-8388**